

# Additional Rules for House-banked Card Games

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## **Additional Rules for House-banked Card Games**

### **Internal Controls for House-Banked Card Games**

Rule Summary re: internal controls on site

#### **230-15-104 Internal controls.**

- (1) House-banked card game licensees must:
- (a) Ensure that all games are closely controlled and operated in accordance with the Gambling Act, our rules, and the house-banked card game licensee's internal controls (ICs); and
  - (b) Follow all ICs at all times; and
  - (c) Have the ICs available to employees for their individual functions; and
  - (d) Have all ICs available to us at all times at the licensed business premises; and
  - (e) Ensure that employees are knowledgeable in all accounting and internal control procedures for their individual functions and ensure that employees follow the ICs.
- (2) Card room employees must follow the internal control procedures for their individual functions.

[Statutory Authority: RCW 9.46.070.]

#### **WAC 230-40-815 Administrative and accounting control structure -- Organization -- House-banking.**

Each licensee operating a house-banked card game shall ensure that all games are closely controlled, operated fairly and in accordance with all rules of the commission.

Removed much and combined with above

#### **WAC 230-40-800 Operating rules for house-banked card games.**

In general rules (3) The licensee shall submit all rules governing the game to commission staff for approval. All requests shall be in writing and include at least the following:

- (a) Rules of play, including those specified by the manufacturer or supplier;...
- (b) Any administrative or accounting controls applicable to specific games;
- (c) All specifications provided by the equipment manufacturer or supplier applicable to gaming equipment utilized in the game;
- (d) Physical characteristics of the following:
  - (i) Cards (including procedures for receipt and storage);
  - (ii) Gaming chips used to play the game;
  - (iii) All gaming tables and layouts;
  - (iv) Dealing shoes;
  - (v) Card shuffling devices;
  - (vi) Card peeking devices;
  - (vii) Bill changer devices; and

- (viii) Such other equipment as may be required for use in otherwise authorized games;
- (4) Rules for each authorized game, shall include at least the following:
- (a) Procedures of play;
  - (b) Minimum and maximum permissible wagers;
  - (c) Shuffling, cutting, and dealing techniques, as applicable;
  - (d) Dealer take and pay procedures;
  - (e) Payout odds on each form of wager, including any factors affecting payments to the player, such as maximum player or aggregate prize restrictions; and
  - (f) Procedures to be followed on occurrence of irregularities, including examples of irregularities applicable to each game;

**What we changed:** We have rewritten this rule to include an existing rule interpretation.

**Why:** We are attempting to clarify and strengthen the rule by adding in the (5)(e) requirement that surveillance personnel must report any suspicious or illegal acts they see while operating camera and monitors.

### **230-15-106 Internal control requirements.**

#### **General accountability requirements.**

(1) House-banked card game licensees must have a system of internal controls including, at least:

(a) **Accounting controls-** include the house-banked card game licensee's plan, procedures, and records concerned with the safeguarding of assets and the reliability of financial records. House-banked card game licensees must design these controls to provide reasonable assurance that:

- (i) Transactions are executed with management's general and specific authorization; and
- (ii) Transactions are recorded so that financial statements are prepared in conformity with generally accepted accounting principles (GAAP), and so that accountability for assets is maintained; and
- (iii) Access to assets is permitted only with management's authorization; and
- (iv) Records are compared with existing assets at least annually and appropriate action is taken within five working days to correct any differences; and

(b) **Administrative controls-** include, at least, the licensee's plan, procedures, and records outlining decision-making processes that lead to authorization of transactions. These must provide for:

- (i) Competent personnel with an understanding of internal control procedures; and

- (ii) Segregation of incompatible functions so that no employee is in a position to commit and conceal errors or wrongdoings in the normal course of his or her duties; and

**Designating a General Manager.**

(2) The owner, partners, or board of directors for the house-banked card game licensee must designate an individual with overall responsibility for the business, called the "general manager." The general manager may also perform the duties of a gambling operations department manager; and

**Establish separate departments or functions.**

(3) House-banked card game licensees must establish separate departments or functions which must be independent from each other. At a minimum, these must include:

- (a) Surveillance; and
- (b) Security; and
- (c) Gambling; and
- (d) Accounting; and

**Surveillance department requirements.**

(4) The surveillance department must follow all requirements of the surveillance WACs, including, at least:

- (a) Closely and clandestinely observe the operation of the card games and the cashier's cage; and
- (b) Record video and audio of the activities in the count room; and
- (c) Monitor for cheating, theft, embezzlement, and other illegal activities in the licensed premises; and
- (d) Record video of unusual or suspected illegal activities; and
- (e) Notify appropriate supervisors and us, within three working days, when they detect cheating, theft, embezzlement, or other illegal activities related to gambling; and
- (f) Ensure that each dealer is evaluated to determine if he or she follows all required dealer procedures set out in the house-banked card game licensee's approved internal controls; and
- (g) Ensure that all surveillance employees have demonstrated a knowledge of:
  - (i) Operating surveillance systems; and
  - (ii) Rules of play and procedures for the games being played; and
  - (iii) Overall procedures relating to the duties of all employees of the house-banked card room, including dealers, shift managers, floor supervisors, cage cashiers and count team members; and

**Security department requirements.**

(5) The security department manager must control:

- (a) Transfer of cash and chips to and from the gambling tables, cage, and count room; and

- (b) Dealing shoes and new and used cards, when not in use or when held in evidence; and
- (c) Disposing or destroying of used cards and chips when removed from service; and

**Gambling operations department requirements.**

(6) The gambling operation department manager, or general manager is responsible for house-banked card games and must ensure that:

- (a) Dealers operate card games at assigned gambling tables; and
- (b) Cards and dealing shoes are properly accounted for when in use on the gambling floor; and
- (c) There is adequate supervision on the business premises; and

**Accounting department requirements.**

(7) The accounting supervisor must report directly to the general manager. The accounting department must, at least:

- (a) Implement and monitor accounting controls; and
- (b) Control and supervise the count room and cashier's cage; and
- (c) Control the inventory of unused forms; and
- (d) Reconcile the used and unused forms; and
- (e) Prepare, control, and store records and data we require.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-815 Administrative and accounting control structure -- Organization -- House-banking.**

**Internal controls.**

(1) The licensee shall have a system of internal controls that include at least the following:

- (a) Administrative controls, which include, but are not limited to, the organization's plan, procedures, and records concerned with decision processes leading to management's authorization of transactions; and
- (b) Accounting controls which include the licensee's plan, procedures, and records concerned with the safeguarding of assets and the reliability of financial records. These controls must be designed to provide reasonable assurance that:
  - (i) Transactions are executed in accordance with management's general and specific authorization;
  - (ii) Transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles, and to maintain accountability for assets;
  - (iii) Access to assets is permitted only in accordance with management's authorization; and

- (iv) The recorded accountability for assets is compared with existing assets at least annually and appropriate action is taken within five working days with respect to any differences.

**Administrative controls.**

(2) The licensee's system of administrative controls shall provide for the following:

- (a) Competent personnel with an understanding of prescribed procedures;
- (b) The segregation of incompatible functions so that no employee is in a position to perpetrate and conceal errors or irregularities in the normal course of his or her duties; and
- (c) Each employee of a house-banked card room shall be licensed by the commission and shall be knowledgeable in all accounting and internal control practices and procedures relevant to each employee's individual function.

**Separate departments and functions.**

(3) The licensee shall, at a minimum, establish the following departments or functions that shall be independent from all other departments or functions:

***Surveillance.***

(a) A surveillance department which shall not include security functions or personnel. The head of surveillance shall be responsible for, but not limited to, the following:

- (i) The clandestine surveillance of the operation and conduct of the table games;
- (ii) The clandestine surveillance of the operation of the cashier's cage;
- (iii) The video and audio recording of activities in the count rooms;
- (iv) The detection of cheating, theft, embezzlement, and other illegal activities in the gaming facility, count rooms, and cashier's cage;
- (v) The video recording of unusual or suspected illegal activities;
- (vi) The notification of appropriate supervisors and commission staff, within three working days, upon the detection of cheating, theft, embezzlement, or other illegal activities;
- (vii) Ensuring that each dealer is evaluated to determine if all required dealer procedures and techniques set forth in the licensee's approved internal controls are followed; and
- (viii) Ensuring all surveillance employees have a demonstrated knowledge of the following:
  - (A) Operating surveillance systems;
  - (B) Rules of play and procedures for the games being played; and
  - (C) The overall procedures relating to the duties of all employees of the house-banked card room being monitored (dealers, shift managers, floor supervisors, cage cashier's and count team members).

***Security.***



- (b) A security department, supervised by a security department manager, is responsible for at least the following:
- (i) Control of cards and dealing shoes, including storage of new and used cards and shoes, and control of the disposition and/or destruction of same when removed from service; and
  - (ii) Transfer of cash and chips to and from the gaming tables, cage and count room....

*Accounting.*

- (d) An accounting department supervised by an individual who shall report directly to the chief executive officer or chief operations officer. The responsibilities of the accounting department shall include, but not be limited to, the following:
- (i) Implementing and monitoring of accounting controls;
  - (ii) The preparation, control, and storage of records and data required;
  - (iii) The control of unused forms inventory along with reconciliation of forms used; and
  - (iv) The control and supervision of the cashier's cage.

**WAC 230-40-815 Administrative and accounting control structure -- Organization -- House-banking.**

**Administrative controls.**

(2) The licensee's system of administrative controls shall provide for the following:

- (a) Competent personnel with an understanding of prescribed procedures;

**Employees shall be informed of internal controls.**

(5) All licensed operators shall inform their card room employees of the internal controls related to their respective area of responsibility. Furthermore, both the operator and all card room employees shall follow these internal controls at all times.

[Statutory Authority: RCW 9.46.070. 03-09-076 (Order 418), § 230-40-815, filed 4/16/03, effective 7/1/03; 01-13-091 (Order 403), § 230-40-815, filed 6/19/01, effective 7/20/01; 00-09-052 (Order 383), § 230-40-815, filed 4/14/00, effective

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**230-15-032 Defining "Incompatible functions."**

(1) "Incompatible functions" means job duties that place an employee or department in a position to commit and conceal errors or wrongdoings in the normal course of his or her duties.

(2) Anyone who records a transaction and has access to the assets related to that transaction is in a position to commit and conceal errors or wrongdoings. For example, an employee that writes checks should not reconcile the bank account; or an employee that transports funds should not have access to keys for locks securing the funds or to surveillance recordings of the transaction.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-550 Incompatible functions defined.**

Incompatible functions for accounting and internal control purposes are functions, duties, or responsibilities that place any person or department in a position to both perpetrate and conceal errors or irregularities in the normal course of his or her duties. Anyone both recording transactions and having access to the relevant assets is in a position to perpetrate errors or irregularities. For example, an employee that writes checks should not reconcile the bank account; or an employee that transports funds should not have access to keys for locks securing such funds or to surveillance recordings of the transaction.

[Statutory Authority: RCW 9.46.070]

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**Rule Summary for the Rule Below**

**What we changed:** In the past, Commission rules required that card game licensees submit a changed version of the licensee's complete internal controls if the licensee wished to change a game being offered in their card room. Special agents would review the entire internal controls and go out to the card room to do a review before allowing the change to occur.

With the addition of the rule interpretation to the rule, licensees may now change out games simply by submitting the change to the card game internal controls in writing and getting a verbal approval from the special agent. The special agent then will complete a review of the new game on his or her next visit to the card room.

**Why:** This change streamlines the approval process and the risk is minimal since licensees are required to follow all rules governing the card game, regardless of how or when a game is approved.

**230-15-108 Modifying internal controls and changing card games offered.**

(1) House-banked card game licensees must submit proposed changes to their internal controls in writing to us and receive our approval before making any changes.

(2) However, licensees may change the card games they offer by submitting the change to their internal controls in writing and getting an initial verbal or written approval from us. Staff reviews and verifies the changes on their next visit to the card room.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-815 Administrative and accounting control structure --  
Organization -- House-banking.  
Modifications.**

(4) Any changes to the licensee's system of internal controls must be submitted to commission staff and be approved prior to implementation.

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**What we changed:** We have removed the definition of "chief executive officer or chief operations officer."

**Why:** We seldom use that term now. Instead, the operator often employs a "general manager" to handle the duties that a CEO or COO performed.

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**~~WAC 230-40-554 Chief executive officer or chief operations officer defined.~~**

~~The chief executive officer (CEO) or chief operations officer (COO) is the executive who has been designated by the owner, partners, or board of directors as the individual with overall responsibility for the business licensed to conduct card games. The CEO or COO may perform the duties of a gaming operation department manager as defined in WAC 230-40-556.~~

~~[Statutory Authority: RCW 9.46.070. 04-24-039 (Order 440), § 230-40-554, filed 11/24/04, effective 1/1/05; 00-09-052 (Order 383), § 230-40-554, filed 4/14/00, effective 5/15/00.]~~

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**230-15-110 Defining "gambling operations department manager."**

"Gambling operations department manager" means a card room employee who is responsible for managing all card game operations.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-556 Gaming operations department manager defined.**

A gaming operations department manager is a licensed card room employee who has been designated by the chief executive officer or chief operating officer as responsible for management of all card room operations.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-556, filed 4/14/00, effective 5/15/00.]

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**230-15-111 Defining "shift manager."**

"Shift manager" means a card room employee that is responsible for all card game operations during a given shift. The shift manager reports to the gambling operations department manager.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-558 Shift manager defined.**

A shift manager is a licensed card room employee who shall be responsible for all card room operations during a given shift. The shift manager reports to the gaming operations department manager and shall be the direct supervisor of the floor supervisor.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-558, filed 4/14/00, effective 5/15/00.]

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**230-15-112 Defining "floor supervisor."**

"Floor supervisor" means a card room employee who directly supervises a limited number of card games, and the dealers assigned to those games, within a designated area. The floor supervisor reports to the shift manager.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-560 Floor supervisor defined.**

A floor supervisor is a licensed card room employee who shall be responsible for directly supervising a limited number of card games and the dealers assigned to those games within a designated area known as the "pit."

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-560, filed 4/14/00, effective 5/15/00.]

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## Operating House-Banked Card Games

### **230-15-112x Funds required in prize bank account(s).**

(1) House-banked card game licensees must ensure sufficient funds are available to pay prizes offered. Licensees must not offer games for play until they meet the following conditions:

- (a) Licensees must set up a separate bank account for progressive jackpot funds.
- (b) In addition to progressive jackpot prize funds, licensees must also deposit and keep in the account an amount equal to the total of all individual prizes offered which exceed twenty-five thousand dollars.
- (c) For games in which the prize is based on the amount wagered, the licensee must use the highest wager to determine their deposit requirement. For example, if the highest wager allowed for a particular prize is two hundred dollars and the pay out odds are five hundred to one, the licensee must deposit one hundred thousand dollars.

(2) If the prize bank account is reduced below the level required, licensees must immediately stop operating games until they are in compliance.

(3) If licensees fail to keep funds as required in this rule, we consider this prima facie evidence of defrauding the public and a violation of RCW 9.46.190.

[Statutory Authority: RCW 9.46.070.]

### **WAC 230-40-808 (3)**

#### **WAC 230-40-808 Deposit requirements for prizes -- House-banking.**

Each organization licensed to conduct house-banked card games shall ensure sufficient funds are available to pay prizes offered. Funds shall be controlled as follows:

##### **Bank account.**

(1) Each licensee shall maintain a bank account for holding jackpot prizes accrued at house-banked card games. The account shall be separate from all other accounts of the entity and be maintained in a recognized Washington state depository for purposes of depositing prize funds.

##### **Failure to maintain sufficient bank funds.**

(4) No game shall be offered for play until the above conditions have been met. At anytime that the prize account is reduced below the level required, the licensee shall immediately cease operating games until they are in compliance. At no time shall the account go below the total amount of progressive jackpots and individual prizes offered over twenty-five thousand dollars. Failure to maintain funds as required in this rule shall be prima facie evidence of defrauding the public in violation of RCW 9.46.190.

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**230-15-112a Supervision Requirements.**

- (1) House-banked card game licensees must have at least one floor supervisor for each gambling area. Each supervisor may supervise up to seven tables. We must approve the arrangement of tables in the internal controls.
- (2) Licensees must have two levels of supervision present on the business premises if more than ten tables are open.
- (3) A card room employee may act as a dealer and a supervisor during the same shift as long as he or she does not sign forms as both the dealer and the supervisor.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-815 Administrative and accounting control structure -- Organization -- House-banking.***Gaming operations.*

- (c) A gaming operation department supervised by a gaming operation department manager who shall be responsible for the operation of all house-banked card games conducted by ensuring the following:
  - (i) Card games are operated by licensed dealers who are assigned to each gaming table;
  - (ii) A floor supervisor is assigned the responsibility for the overall supervision of the conduct of gaming within a pit and can supervise no more than five tables: Provided, That a single supervisor may supervise up to seven tables, if only seven tables are in operation and the layout was preapproved by commission staff;
  - (iii) A licensee which utilizes two separate areas of a gaming establishment shall require at least one supervisor in each area; and
  - (iv) A shift manager, who reports to the gaming operation department manager, is assigned to supervise floor supervisors and all gaming related activities that occur during each shift. In the absence of the gaming operation department manager, the shift manager shall have the authority of a gaming operation department manager: Provided, That in addition to the floor supervisors required in this subsection, licensees operating more than ten tables shall be required to have a shift manager on the premises.

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**230-15-113 Dealing all house-banked card games from a dealing shoe.**

House-banked card game licensees must deal all house-banked card games from a dealing shoe or a shuffling device we have approved.

[Statutory Authority: RCW 9.46.070.]

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**What we changed:** We have removed this rule.

**Why:** The information contained in this rule is available in other rules and does not need to be repeated.

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**WAC 230-40-800 Operating rules for house-banked card games.**

(5) A summary of playing procedures and rules of play for each game shall be visibly displayed in the gaming area. If the procedures or restrictions are game specific, they shall be displayed at each gaming table at which the game is played.

[Statutory Authority: RCW 9.46.070. 02-11-084 (Order 413), § 230-40-800, filed 5/16/02, effective 7/1/02; 00-09-052 (Order 383), § 230-40-800, filed 4/14/00, effective 5/15/00.]

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**230-15-115 Numbering gambling tables.**

House-banked card game licensees must permanently number each gambling table.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-030 Number of tables and players limited.**

No licensee shall allow more than fifteen separate tables at which card games are played.

**In General Rules.** No licensee shall allow more than ten players for nonhouse-banked card games and seven players and/or areas for wagering at house-banked card games to participate at any one table at any given time. Each table shall be permanently numbered and readily identifiable by the licensee's surveillance system.

[Statutory Authority: RCW 9.46.070.]

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**230-15-116 Standards for electronic facsimiles of cards.**

(1) House-banked card game licensees may use approved electronic card facsimiles in house-banked card games if the system meets the following requirements:

- (a) Produces accurate facsimiles of one or more standard deck(s) of cards; and
- (b) Randomly shuffles the cards before each round of play or shoe loading; and
- (c) Contains a backup system for recording and displaying at least five previous rounds of play; and
- (d) Contains security protocols which prevent unauthorized access; and
- (e) Is designed to prevent the player from playing against the device; and
- (f) Allows testing of the computer software; and
- (g) Operates only under card room internal controls specific to each system; and

- (h) Is tested by a licensed game testing laboratory for compliance with these requirements; and
  - (i) Meets any additional technical requirements we require.
- (2) Card room employees must operate the system.
- (3) The manufacturer must pay the costs of laboratory testing.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-070 Licensee to furnish all cards, chips and other services.**

**(1) (c) Electronic facsimiles of cards.**

Electronic card facsimiles may be approved by the director for use in house-banked card games subject to the following conditions:

- (i) The system shall:
  - (A) Produce accurate facsimiles of one or more standard decks of playing cards;
  - (B) Randomly shuffle the cards prior to each round of play or shoe loading;
  - (C) Contain a backup system for recording and display of at least five previous rounds of play;
  - (D) Contain security protocols which prevent unauthorized access;
  - (E) Provide a means of testing of computer software;
  - (F) Meet any additional technical standards required by the commission;
  - (G) Be operated only under card room internal controls specific to each system; and
  - (H) Be tested by a licensed game testing laboratory for compliance with these requirements.
- (ii) The system shall be operated by card room personnel and shall not be designed to allow the player to play against the device.
- (iii) The costs of initial laboratory testing and any additional testing required by the commission shall be paid for by the manufacturer.
- (iv) The closed circuit television system requirements set forth in WAC 230-40-825 must be followed for all card games.

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**230-15-117 Keeping funds to pay progressive jackpot prizes and odds-based wager prizes.**

House-banked card game licensees must ensure that they have sufficient funds available to pay progressive jackpot prizes and odds-based wager prizes. An "odds-based wager" means a wager where the player wins an amount over and above the amount he or she wagered if a fixed pattern or combination of cards occurs, for example, a royal flush, four aces, or a pair. Licensees must not offer card games until they have met all of these requirements:

- (1) Keep a separate bank account for progressive jackpot prizes and odds-based wager prizes. The account must be kept in a bank, mutual savings bank, or credit union regulated by the Washington state department of financial institutions; and



- (2) Keep in the account an amount equal to all individual odds-based wager prizes offered which are greater than twenty-five thousand dollars and all progressive jackpot prize funds; and
- (3) Use the highest wager they allow to calculate the individual odds-based wager prize amount and determine the deposit requirement; and
- (4) Deposit at least weekly all funds accrued for progressive jackpot prizes.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-808 Deposit requirements for prizes -- House-banking.**

Each organization licensed to conduct house-banked card games shall ensure sufficient funds are available to pay prizes offered. Funds shall be controlled as follows:

**Bank account.**

(1) Each licensee shall maintain a bank account for holding jackpot prizes accrued at house-banked card games. The account shall be separate from all other accounts of the entity and be maintained in a recognized Washington state depository for purposes of depositing prize funds.

**Deposit requirements.**

(2) Amounts accrued for any house-banked game which offers a progressive jackpot shall be deposited into the jackpot prize account at least weekly for all disclosed and reserve jackpot funds.

(3) In addition to any progressive jackpot prize funds required to be maintained in the bank account, licensees shall also deposit and maintain in the account an amount equal to the total of all individual prizes offered which exceed twenty-five thousand dollars. For games in which the prize is based on the amount wagered, the highest wager allowed by the licensee shall be used in computing the individual prize amount for purposes of determining the deposit requirement.

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**230-15-118 Limiting payouts for odds-based wagers.**

(1) House-banked card game licensees may create payout limits for odds-based wagers made in card games.

(2) Licensees may limit the payout for odds-based wagers if we approve all payout limits and their procedures for computing limits.

(3) Individual players' winnings must not be less than the higher of:

- (a) The maximum wager allowed for the game times the highest odds offered up to fifty-to-one (50 to 1). For example: If the maximum wager is one hundred dollars (\$100) and the odds are fifty-to-one (50 to 1); then the per player limit is five thousand dollars ( $\$100 \times 50 = \$5,000$ ); or
- (b) The house minimum required wager for the game times the highest odds offered for any wager in the game. The "minimum required wager" means the least amount a player must wager in order to win. For example: If the minimum required wager is ten dollars (\$10) and

the maximum odds are one thousand-to-one (1,000 to 1); then the per player limit is ten thousand dollars ( $\$10 \times 1,000 = \$10,000$ ).

(4) Table limits (aggregate payout) must not be less than two times the individual player limit, as computed in subsection (3) above; and

(5) Licensees must clearly disclose all procedures for computing any per player or table limit (aggregate payouts). This explanation must be available to players in a brochure or other printed material.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-810 House-banked card games -- Odds based wagers -- Prizes -- Restrictions -- Procedures.**

A licensee may establish pay out limits for odds based wagers made at house-banked card games. An "odds based wager" means a wager for which the player is paid an increased amount over and above the amount wagered if a predetermined pattern or combination of cards is achieved. For example, a royal flush, four aces, a pair, etc. Limitations on the payout for odds based wagers are allowed only if the following restrictions and procedures are met:

(1) All payout limits, procedures for computing limits, and methods of disclosing limits to patrons shall be preapproved by the director or the director's designee;

(2) Any limits applied to individual players' winnings shall not be less than the higher of the following calculations:

(a) The maximum wager allowed for the game, times the highest odds offered up to fifty-to-one (50 to 1). For example: The maximum wager is one hundred dollars (\$100) and odds are fifty-to-one (50 to 1); then the per player minimum is five thousand dollars ( $\$100 \times 50 = \$5,000$ ); or

(b) The minimum required wager for the game, as determined by house rule, times the highest odds offered for any wager in the game. For purposes of this section the "minimum required wager" shall be the total amount a player must risk in order to win. For example: The minimum allowed wager is ten dollars (\$10) and the maximum odds are one thousand-to-one (1,000 to 1); then the per player minimum is ten thousand dollars ( $\$10 \times 1,000 = \$10,000$ );

(3) Any limits applied in aggregate to payments to all players in a game for winning wagers shall not be less than two times the individual player limit, as computed in subsection (2) of this section;

(4) The licensee shall clearly disclose any limits to per player or aggregate payouts on the table layout: Provided, That the director may approve alternative methods of disclosure; and

(5) The licensee shall clearly disclose all procedures for computing any per player or aggregate payouts. This explanation must be available to players in the form of a brochure or other printed media.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-810, filed 4/14/00, effective 5/15/00.]

**230-15-120 Opening tables.**

When opening gambling tables, house-banked card game licensees must follow these steps:

- (1) A floor supervisor must unlock the table inventory container (chip tray) and take out the table inventory slip (opener); and
- (2) The dealer assigned to the gambling table must:
  - (a) Count the contents of the chip tray in the presence of the floor supervisor; and
  - (b) Verify the count against the opener; and
- (3) The dealer and the floor supervisor must then sign the opener, confirming the information on the opener is correct; and
- (4) The dealer must immediately deposit the opener in the drop box attached to the gambling table.
- (5) If there is any discrepancy between the amount of gambling chips and coins counted and the amount of the chips and coins recorded on the opener:
  - (a) The floor supervisor must report immediately to the shift manager, if on duty or when the manager arrives; and
  - (b) The supervisor on duty must complete and sign a notification of error slip; and
  - (c) The dealer, the floor supervisor, and security must verify and sign the notification of error slip; and
  - (d) Security must transport the duplicate of the notification of error slip to the accounting department or the cashier's cage; and
  - (e) The dealer must drop the original notification of error slip in the drop box attached to the gambling table; and
  - (f) The accounting department must keep a copy of the notification of error slip in a log in the format we require; and
  - (g) Licensees must notify us within twenty-four hours of errors of two hundred dollars or more, or if there is a pattern of shortages.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-860 Table inventories and procedures for opening tables for house-banked card games.****Opening tables for play.**

(4) Licensees shall abide by the following procedures when opening gaming tables for play:

- (a) The locked container securing the table inventory and the table inventory slip shall be unlocked by the gaming operation supervisor assigned to such table;
- (b) A dealer assigned to the gaming table shall prove the contents of the container in the presence of the gaming operation supervisor assigned to such table and shall compare the count to the "opener," as defined in WAC 230-40-875, removed from the container. The procedures used to prove the chip and coin inventory shall be set forth in the licensee's internal controls;

(c) Signatures attesting to the accuracy of the information on the opener shall be placed on such "opener" by the dealer assigned to the table and the gaming operation supervisor that observed the dealer count the contents of the container;

(d) Any discrepancy between the amount of gaming chips and coins counted and the amount of the gaming chips and coins recorded on the "opener," shall be immediately reported to the gaming operation manager, assistant gaming operation manager, or gaming operation shift manager in charge at such time. The manager in charge shall complete the notification of error slip, which will be verified by security and transported to accounting or the cashier's cage. Accounting will maintain a copy in the log containing the notification of error slips. The licensee shall notify commission staff within twenty-four hours of errors of two hundred dollars or more or if there is a pattern relating to regular shortages;

(e) After the count of the contents of the container and the signing of the "opener," such slip shall be immediately deposited in the drop box attached to the gaming table by the dealer.

[Statutory Authority: RCW 9.46.070. 03-09-076 (Order 418), § 230-40-860, filed 4/16/03, effective 7/1/03; 00-09-052 (Order 383), § 230-40-860, filed 4/14/00, effective 5/15/00.]

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### **230-15-121 Accounting for table inventory.**

(1) House-banked card game licensees must establish procedures to ensure proper accounting for chips and coins stored at gambling tables, known as the "table inventory."

(2) Licensees must not add or remove chips or coins from the table inventory except:

- (a) In exchange for cash from players; or
- (b) In payment of winning wagers and collection of losing wagers made at the gambling table; or
- (c) In exchange for chips received from a player having an equal total face value (known as "coloring up" or "coloring down"); or
- (d) In compliance with fill and credit procedures.

[Statutory Authority: RCW 9.46.070.]

### **WAC 230-40-860 Table inventories and procedures for opening tables for house-banked card games.**

Procedures shall be established to ensure proper accountability of gaming chips and coins stored at gaming tables and for beginning play at such tables. The following restrictions and procedures apply:

#### **Removing and adding table inventory.**

(1) Whenever a gaming table is opened for gaming, operations shall commence with an amount of gaming chips and coins to be known as the "table inventory"

and the licensee shall not cause or permit gaming chips or coins to be added to or removed from such table inventory during the gaming day except:

- (a) In exchange for cash from patrons;
- (b) In payment of winning wagers and collection of losing wagers made at such gaming table;
- (c) In exchange for gaming chips received from a patron having an equal aggregate face value; and
- (d) In conformity with procedures set forth in WAC 230-40-865 and 230-40-870.

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**230-15-122 Selling gambling chips to players.**

House-banked card game licensees must accurately account for all chips and cash when they sell chips to players. Licensees must sell chips only at the gambling table. The dealer must:

- (1) Spread the cash on the top of the gambling table so that the player, floor supervisor, and surveillance have a full view of the sale;
- (2) Announce the amount loudly enough to be heard by the player and the floor supervisor assigned to the table.
- (3) Have the floor supervisor verify all cash sales of one hundred dollars or more;
- (4) Prove the denomination and the number of chips to the player, floor supervisor, and surveillance before giving the chips to the player. Licensees must include their method for proving chips in their internal controls; and
- (5) After giving the chips to the player, immediately remove the cash from the table top and put it in the drop box.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-850 Procedures for purchasing gaming chips.** The purchase of gaming chips by patrons shall be conducted in a manner to ensure proper accountability of chips and cash. The following restrictions and procedures apply:

- (1) Gaming chips shall only be purchased at the gaming table;
- (2) The cash shall be spread on the top of the gaming table by the dealer in a manner that allows the patron, floor supervisor, and surveillance a full view of the transaction;
- (3) The amount of cash shall be announced by the dealer accepting it in a tone of voice to be heard by the patron who presented the cash and the floor supervisor specifically assigned to the gaming table. All cash changes of one hundred dollars or more shall be verified by the supervisor;
- (4) Prior to giving gaming chips to the patron, the dealer shall prove each denomination of chips in a manner that discloses the number of chips to the patron, floor supervisor, and surveillance. Procedures for proving chips shall be included in the licensee's approved system of internal controls; and
- (5) Immediately after gaming chips, equivalent to the cash amount paid by the patron, have been given to the patron, the cash shall be taken from the top of the

gaming table and placed by the dealer into the drop box attached to the gaming table.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-850, filed 4/14/00, effective 5/15/00.]

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**Rule summary for inadvertent omission of "coin" from (2) and (3)**

**230-15-124 Transferring chips and coin.**

House-banked card game licensees must closely control and document all transfers of chips and coin in a manner that ensures accountability and provides adequate security.

- (1) All transfers of chips and coin must be to and from the cashier's cage.
- (2) Chips and coin must not be transferred from one gambling table to another.
- (3) All transfers of chips or coin must be made using requests for fill slips, fill slips, request for credit slips, or credit slips.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-865 Distributing chips and coins to tables — Requests and fills — House-banking.**

Gaming chips and coins shall only be distributed to gaming tables with adequate security and in a manner that ensures proper control and accountability. The following restrictions and procedures apply:

- (12) Transfers of gaming chips from one gaming table to another gaming table is prohibited. All transfers of gaming chips shall be to the cashier's cage.

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**230-15-123 Requirements for request for fill/credit slips**

A request for fill/credit slip must be:

- (1) A two part form; and
- (2) Completed in the format we require; and
- (3) Secured so that only a floor supervisor has access.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-865 Distributing chips and coins to tables — Requests and fills — House-banking.**

**Fill slip.**

- (1) Each "fill slip" shall be serially prenumbered three-part forms, which provide an original and duplicate copies as necessary: Provided, That the director may authorize use of a computer based accounting system which includes a nonrepeating sequential numbering system that is consistent with the controls and safeguards of the manual system. Requests for fills shall be a two-part form which provides an original and duplicate copy. These forms shall be controlled in the following manner:

- (a) Each series of fill slips received by a licensee shall be controlled and accounted for separately;

- (b) Request for fills shall be secured in such a manner that only a gaming operations supervisor has access;
- (c) Fill slips shall be secured by the cashier's cage;
- (d) These forms shall be used in sequential order and all forms accounted for; and
- (e) The preparer shall void forms that have errors by marking "VOID" on both the original and duplicate copies and sign the form.

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**Rule Summary for taking out "each day"****230-15-123a Requirements for fill/credit slips**

- (1) Each fill/credit slip must be a consecutively prenumbered three-part form in the format we require. We may authorize use of a computer based accounting system which includes a nonrepeating consecutive numbering system which fulfills the controls and safeguards of the manual system. House-banked card game licensees must:
- (a) Control and account for each series of fill/credit slips they receive; and
  - (b) Ensure the fill/credit slip dispenser is secured in the cashier's cage; and
  - (c) Keep each series of fill/credit slips in a locked dispenser that will permit an individual fill/credit slip in the series and its copies to be written on simultaneously while still located in the dispenser, and will discharge the original and duplicate while the triplicate remains in a continuous, unbroken form in the dispenser; and
  - (d) Use the forms in consecutive order and account for all forms; and
  - (e) Assign an accounting department employee to be responsible for controlling and accounting for the unused supply of fill/credit slips, placing fill/credit slips in the dispensers, and removing the triplicate copy from the dispensers. Only the accounting department employee may have access to the forms in the dispenser.
- (2) However, the licensee may allow a security department employee access to the dispenser for clearing paper jams.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-865 Distributing chips and coins to tables — Requests and fills — House-banking.**

- (5)(a) Each series of fill slips shall be in triplicate form to be kept in a locked dispenser that will permit an individual fill slip in the series and its copies to be written upon simultaneously while still located in the dispenser, and that will discharge the original and duplicate while the triplicate remains in a continuous, unbroken form in the dispenser: Provided, That if a computer system is used, which includes a nonrepeating sequential numbering system, the controls and safeguards of the manual system must be present; and
- (b) Access to the triplicate copy of the form shall be maintained and controlled at all times by an accounting department employee responsible for controlling and accounting for the unused supply of fill slips, placing fill slips in the dispensers,

and removing from the dispensers, each day, the triplicate copies remaining therein: Provided, That access will be permitted to an employee of the security department for the sole purpose of clearing any paper jams in the dispenser.

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### **230-15-125 Completing the fill process.**

#### **Requesting a fill.**

- (1) A floor supervisor must prepare a request for fill slip to authorize the cage cashier to perform a fill for the distribution of chips and coin to gambling tables.
- (2) The floor supervisor and security must sign the request for fill slip at the gambling table to which the chips and coin are to be delivered.

#### **Transporting requests for fills.**

- (4) After preparation of the request for fill slip, security must transport the original request for fill slip directly to the cashier's cage.
- (5) The floor supervisor must place the duplicate copy of the request for fill slip face up on the gambling table. It must remain there until the chips and coin are received.

#### **Filling a request.**

- (6) The cashier must prepare a fill slip when a request for fill slip is received.
- (7) The cashier must sign the fill slip when finished preparing the fill.
- (8) A security department employee must compare and verify the request for fill slip to the fill slip and the amount of the fill. Security must sign the fill slip.
- (9) Security must transport the chips, coin, and the original and duplicate of the fill slip to the gambling table.
- (10) The cashier retains the original of the request for fill slip.

#### **Receiving the fill**

- (11) On receiving chips and coin, the dealer verifies the amount of the fill and signs the fill slip.
- (12) The floor supervisor verifies the amount of the fill and signs the fill slip.
- (13) After the dealer and floor supervisor sign the fill slip, security must observe that the dealer immediately places the duplicate fill slip and the duplicate request for fill slip in the drop box attached to the gambling table.
- (14) Security must return the original fill slip to the cashier.
- (15) The cashier must attach the request for fill slip to the original fill slip.
- (16) If an error is made on a fill slip, the cage cashier must write "VOID" on the original and duplicate of the slip, and sign the slip.
- (17) At the end of the day or shift, the cage cashier must forward all slips to either:
  - (a) The count team for agreement with the duplicate of the fill slip and duplicate of the request for fill slip removed from the drop box. After the count, all fills must be forwarded directly to the accounting department for agreement with the triplicate of the fill slip; or
  - (b) The accounting department for agreement with the duplicate fill slip and duplicate of the request for fill slip removed from the drop box and the triplicate of the fill slip.



[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-865 Distributing chips and coins to tables — Requests and fills — House-banking.**

Gaming chips and coins shall only be distributed to gaming tables with adequate security and in a manner that ensures proper control and accountability. The following restrictions and procedures apply:

**Request for fill.**

(2) A "request for fill" shall be prepared by the gaming operation supervisor to authorize the cage to prepare a "fill slip" for the distribution of chips and coins to gaming tables. The original and duplicate of the request for fill shall include the following entries:

- (a) The date, time, and shift of preparation;
- (b) The denomination of gaming chips or coins to be distributed to the gaming tables;
- (c) The total amount of each denomination of gaming chips or coins to be distributed to the gaming tables;
- (d) The game and table number to which the gaming chips or coins are to be distributed;
- (e) The signature of the gaming operation supervisor; and
- (f) The signature of the security department employee that distributed the chips and coins.

**Transporting requests.**

(3) After preparation of the request for fill, the original of such request shall be transported directly to the cashier's cage by security.

**Duplicate copies of the request.**

(4) The duplicate copy of the request for fill shall be placed by the dealer or floor supervisor in public view on the gaming table to which the gaming chips or coins are to be received. Such duplicate copy shall not be removed until the chips and coins are received, at which time the request for fill and fill slip are deposited in the drop box.

**Fill slip procedures.**

(5) A fill slip shall be prepared by a cashier whenever gaming chips or coins are distributed to the gaming tables from the cashier's cage. The following procedures and requirements shall be observed with regard to fill slips:

...

**Information to be recorded on fill slip.**

(6) On the original, duplicate, and triplicate copies of the fill slip, the preparer shall record, at a minimum, the following information:

- (a) The denomination of the gaming chips or coins being distributed;
- (b) The total amount of each denomination of gaming chips or coins being distributed;
- (c) The total amount of all denominations of gaming chips or coins being distributed;
- (d) The game and table number to which the gaming chips or coins are being distributed;

- (e) The date and shift during which the distribution of gaming chips or coins occurs; and
  - (f) The signature of the preparer.
- (7) Upon preparation, the time of preparation of the fill slip shall be recorded, at a minimum, on the original and the duplicate.

**Employee verification.**

(8) All gaming chips or coins distributed to the gaming tables from the cashier's cage shall be transported directly by a security department employee. This employee shall verify the request for fill to the amount of the fill slip and sign the original of the request for fill, which is maintained at the cashier's cage, before transporting the gaming chips or coins and the original and duplicate of the fill slip for signature.

**Signatures required on fill slips.**

(9) Signatures attesting to the accuracy of the information contained on the original and duplicate of the fill slips shall, at a minimum, be those of the following personnel at the following times:

- (a) The cashier upon preparation;
- (b) The security department employee transporting the gaming chips or coins to the gaming table upon receipt from the cashier of gaming chips or coins;
- (c) The dealer assigned to the gaming table upon receipt; and
- (d) The gaming operation supervisor assigned to the gaming table upon receipt of the gaming chips or coins at such table.

**Transporting chips and coins.**

(10) Upon meeting the signature requirements, the security department employee that transported the gaming chips or coins and the original and duplicate copies of the fill slip to the table, shall observe the following:

- (a) The dealer shall immediately place the duplicate fill slip and duplicate request for fill in the drop box attached to the gaming table to which the gaming chips or coins were transported; and
- (b) The security department employee shall then return the original fill slip to the cashier's cage where the original fill slip and request for fill shall be maintained together and controlled by cage employees.

**VOID procedures.**

(11) The original and duplicate "VOID" fill slips, the original request for fill, and the original fill slip shall be forwarded as follows:

- (a) The count team, as described in WAC 230-40-885(2), for agreement with the duplicate copy of the fill slip and duplicate copy of the request for fill removed from the drop box after which the original and duplicate copy of the request for fill and the original and duplicate copy of the fill slip shall be forwarded to the accounting department for agreement, on a daily basis, with the triplicate; or
- (b) The accounting department for agreement, on a daily basis, with the duplicate fill slip and duplicate copy of the request for fill removed from the drop box and the triplicate.

**Transferring chips.**

(12) Transfers of gaming chips from one gaming table to another gaming table is prohibited. All transfers of gaming chips shall be to the cashier's cage.

[Statutory Authority: RCW 9.46.070. 01-13-091 (Order 403), § 230-40-865, filed 6/19/01, effective 7/20/01; 00-09-052 (Order 383), § 230-40-865, filed 4/14/00, effective 5/15/00.]

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### **230-15-125 Completing the credit process.**

#### **Requesting credit.**

- (1) The floor supervisor must prepare a request for credit to authorize the cage to prepare a credit slip for the removal of gambling chips and coin to the cashier's cage.
- (2) The floor supervisor and a security employee must sign the request for credit slip at the gambling table from which the gambling chips and coin are being removed.

#### **Transporting requests for credit.**

- (3) A security department employee transports the original of the request for credit and the gambling chips or coin removed from the gambling table directly to the cashier's cage.
- (4) The dealer must place the duplicate copy face up on the gambling table. The request for credit must not be removed until a credit slip is received from the cashier's cage.

#### **Filling a request for credit.**

- (5) The cashier must prepare a credit slip in the format we require whenever gambling chips or coin are removed from the gambling tables to the cashier's cage.
- (6) The cashier must sign the credit slip when finished preparing the credit.
- (7) A security department employee must compare and verify the request for credit to the credit slip and sign the credit slip.
- (8) Security must transport the credit slip to the gambling table.
- (9) The cashier retains the original of the request for credit.

#### **Receiving the credit**

- (10) On receiving the credit slip, the dealer and the floor supervisor verifies the amount of the credit and signs the credit slip.
- (11) After the dealer and floor supervisor sign the credit slip, the security employee must observe that the dealer immediately places the duplicate credit slip and the request for credit in the drop box attached to the gambling table from which the gambling chips or coin were removed.
- (12) The security department employee must return the original credit slip to the cashier's cage. The cage cashiers must keep together and control the original of the credit slip and request for credit.
- (13) If an error is made on the credit slip, the cage cashier must write "VOID" on the original and duplicate of the slip and sign the slip.
- (14) At the end of the day or shift, the cage cashier must forward all slips to either:
  - (a) The count team for agreement with the duplicate of the credit slip and duplicate of the request for credit removed from the drop box. After the

count, all credits must be forwarded to the accounting department for agreement with the triplicate; or

(b) The accounting department for agreement with the duplicate credit slip and duplicate request for credit removed from the drop box and the triplicate.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-870 Removing chips and coins from tables — Requests and credits — House-banking.**

All transfers of gaming chips and coins shall be closely controlled and documented in a manner that ensures accountability. Gaming chips and coins shall only be removed from gaming tables with adequate security. The following restrictions and procedures apply:

**Credit slip.**

(1) Each "credit slip" shall be serially prenumbered three-part forms, which provide an original and duplicate copies as necessary: Provided, That the director may authorize use of a computer based accounting system which includes a nonrepeating sequential numbering system that is consistent with the controls and safeguards of the manual system. Requests for credits shall be a two-part form which provides an original and duplicate copy. These forms shall be controlled in the following manner:

- (a) Each series of credit slips received by a licensee shall be controlled and accounted for separately;
- (b) Request for credits shall be secured in such a manner that only a gaming operations supervisor has access;
- (c) Credit slips shall be secured by the cashier's cage;
- (d) These forms shall be used in sequential order and all forms accounted for; and
- (e) The preparer shall void forms that have errors by marking "VOID" on both the original and duplicate copies and sign the form.

**Request for credit.**

(2) A "request for credit" shall be prepared by the gaming operation supervisor to authorize the cage to prepare a credit slip for the removal of gaming chips and coins to the cashier's cage. The original and duplicate of the request for credit shall include the following entries:

- (a) The date, time and shift of preparation;
- (b) The denomination of gaming chips or coins to be removed from the gaming table;
- (c) The total amount of each denomination of gaming chips or coins to be removed from the gaming table;
- (d) The game and table number from which the gaming chips or coins are to be removed; and
- (e) The signature of the gaming operation supervisor and dealer assigned to the gaming table from which gaming chips or coins are to be removed.

**Employee verification.**

(3) Immediately upon preparation of a request for credit and transfer of gaming chips or coins to a security department employee, a gaming operation supervisor

shall obtain on the duplicate copy of the request for credit the signature of the security department member to whom the gaming chips and coins were transferred. The dealer shall place the duplicate copy in public view on the gaming table from which the gaming chips or coins were removed. Such request for credit shall not be removed until a credit slip is received from the cashier's cage at which time the request for credit and credit slip are deposited in the drop box.

**Transporting requests.**

(4) The original of the request for credit and the gaming chips or coins removed from the gaming table shall be transported directly to the cashier's cage by the security department employee.

**Credit slip procedures.**

(5) A credit slip shall be prepared by the cashier whenever gaming chips or coins are removed from the gaming tables to the cashier's cage. The following procedures and requirements shall be observed with regard to credit slips:

(a) Each series of credit slips shall be a three-part form and shall be inserted in a locked dispenser that will permit an individual slip in the series and its copies to be written upon simultaneously while still locked in the dispenser, and that will discharge the original and duplicate while the triplicate remains in a continuous, unbroken form in the dispenser:

Provided, That if a computer system is used, which includes a nonrepeating sequential numbering system, the controls and safeguards of the manual system must be present; and

(b) Access to the triplicate copy shall be maintained and controlled at all times by an accounting department employee responsible for controlling and accounting for the unused supply of credit slips, placing credit slips in the dispensers, and removing from the dispensers, each day, the triplicates remaining therein: Provided, That access will be permitted to an employee of the security department for the sole purpose of clearing any paper jams in the dispenser.

**Information to be recorded on credit slip.**

(6) On the original, duplicate and triplicate copies of a credit slip, the preparer shall record, at a minimum, the following information:

(a) The denomination of the gaming chips or coins removed from the gaming table to the cashier's cage;

(b) The total amount of each denomination of gaming chips or coins removed from the gaming table to the cashier's cage;

(c) The total amount of all denominations of gaming chips or coins removed from the gaming table to the cashier's cage;

(d) The game and table number from which the gaming chips or coins were removed;

(e) The date and shift during which the removal of gaming chips or coins occurs; and

(f) The signature of the preparer.

(7) Upon preparation, the time of preparation of the credit slip shall be recorded, at a minimum, on the original and duplicate copy.

**Signatures required on credit slips.**

(8) Signatures attesting to the accuracy of the information contained on the original and the duplicate copy of a credit slip shall be, at a minimum, the following personnel at the following times:

- (a) The cage cashier upon preparation;
- (b) The security department employee transporting the gaming chips or coins to the cashier's cage upon presentation to the cashier;
- (c) The dealer assigned to the gaming table upon receipt at such table from the security department employee; and
- (d) The gaming operation supervisor assigned to the gaming table upon receipt at such table.

**Transporting chips and coins.**

(9) Upon meeting the signature requirements, the security department employee transporting the original and duplicate copies of the credit slip to the gaming table, shall observe the following:

- (a) The dealer shall immediately place the duplicate copies of the credit slip and request for credit in the drop box attached to the gaming table from which the gaming chips or coins are removed; and
- (b) The security department employee shall expeditiously return the original credit slip to the cashier's cage where the original of the credit slip and request for credit shall be maintained together and controlled by cage employees.

**VOID procedures.**

(10) The original and duplicate copies of "VOID" credit slips, and the original request for credit and credit slip shall be forwarded to:

- (a) The count team, as described in WAC 230-40-885(2), for agreement with the duplicate credit slip and the duplicate request for credit removed from the drop box, after which the request for credit and the original and duplicate credit slip shall be forwarded to the accounting department for agreement, on a daily basis, with the triplicate; or
- (b) The accounting department for agreement, on a daily basis, with the duplicate copies of the credit slip and request for credit removed from the drop box and the triplicate.

[Statutory Authority: RCW 9.46.070. 01-13-091 (Order 403), § 230-40-870, filed 6/19/01, effective 7/20/01; 00-09-052 (Order 383), § 230-40-870, filed 4/14/00, effective 5/15/00.]

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**230-15-126 Closing tables.**

When closing tables, house-banked card game licensees must follow these steps:

- (1) The dealer assigned to the gambling table must count the gambling chips and coins, and a floor supervisor must observe the count. The surveillance department must monitor and record the entire count and closure process.

- (2) The floor supervisor assigned to the gambling table must record the chips and coins counted on a table inventory slip.
- (3) Licensees must use consecutively pre-numbered three-part forms for table inventory slips. Table inventory slips must be in the format we require and have three parts:
  - (a) The original (the closer); and
  - (b) The duplicate (the opener); and
  - (c) The triplicate (which is transported by security to accounting).
- (4) The dealer and the floor supervisor who observed the dealer count must sign the table inventory slip, confirming the information recorded at the time of closing.
- (5) After both the dealer and floor supervisor have signed the closer, the dealer must deposit the closer in the drop box attached to the table. If there are chips and coin remaining at the table, the dealer must place the opener face up in the chip tray, arranged so that the slip is clearly visible. Then the floor supervisor must lock the clear chip tray cover. The chip trays must be under recorded surveillance at all times.
- (6) A security department employee must take the triplicate of the table inventory slip directly to the accounting department.
- (7) If an error is made on the closer, the preparer must write "VOID" on all copies of the form and forward them to the accounting department.
- (8) If the locked chip trays are transported to the cashier's cage at the end of each gambling day, a cage cashier must determine that all locked chip trays have been returned to the cage and are adequately secured. The house-banked card game licensee must clearly mark the chip tray on the outside with the game and the gambling table number which it matches.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-875 Closing gaming tables -- House-banking.**

Procedures shall be followed for closing gaming tables that ensure proper accountability of gaming chips and coins. The following restrictions and procedures apply:

**Counting chips and coins.**

(1) Whenever the gaming activity at each gaming table is concluded for the day, the gaming chips and coins shall be counted by the dealer assigned to the gaming table and observed by a gaming operation supervisor. The entire count and closure process shall be monitored and recorded by the surveillance department.

**Recording the count.**

(2) The gaming chips and coins counted shall be recorded on a table inventory slip by the gaming operation supervisor assigned to the gaming table.

**Table inventory slips.**

(3) Table inventory slips shall be three-part serially prenumbered forms and on the original of the slip (closer), the duplicate of the slip (opener), and on the

triplicate, which is maintained and controlled by security, the gaming operation supervisor shall record the following:

- (a) The date and identification of the shift ended;
- (b) The game and table number;
- (c) The total value of each denomination of gaming chips and coins remaining at the tables; and
- (d) The total value of all denominations of gaming chips and coins remaining at the gaming tables.

**Verification signatures.**

(4) Signatures attesting to the accuracy of the information recorded on the table inventory slips at the time of closing the gaming tables shall be of the dealer and the gaming operation supervisor assigned to the gaming table who observed the dealer count the contents of the table inventory.

**Distributing table inventory slips.**

(5) Upon meeting the signature requirements:

- (a) The closer shall be deposited in a drop box attached to the gaming table immediately prior to the closing of the table;
- (b) The opener and the gaming chips and coins remaining at the table shall be placed in a clear container provided for that purpose after which the container shall be locked; and
- (c) The triplicate copy of the table inventory slip shall be forwarded to the accounting department by a security department employee.

**VOID procedures.**

(6) In the event the closer is voided, the preparer shall void this form by writing the word "VOID" on all copies of the form. All copies of the form shall then be forwarded to the accounting department.

(7) At the end of each gaming day, if the locked containers are transported to the cashier's cage, a cage cashier shall determine that all locked containers have been returned to the cage and adequately secured or, if the locked containers are secured to the gaming table, a gaming operation supervisor shall account for all the locked containers.

**Removing drop boxes from tables.**

(8) In the event drop boxes are removed from gaming tables at other than the close of the gaming day, they shall be removed at a shift change. A table inventory slip shall be prepared as required above with the incoming and outgoing supervisor verifying the inventory and signing.

[Statutory Authority: RCW 9.46.070. 03-09-076 (Order 418), § 230-40-875, filed 4/16/03, effective 7/1/03; 01-13-091 (Order 403), § 230-40-875, filed 6/19/01, effective 7/20/01; 00-09-052 (Order 383), § 230-40-875, filed 4/14/00, effective 5/15/00.]

**What we changed:** We have removed this rule.

**Why:** The same information is contained in other rules.



~~230-15-127 Storing chip trays during nongambling hours.~~

~~(1) House-banked house-banked card game licensees must store each table inventory of chips and coin and the table inventory slip in a separate locked and secured chip tray during nongambling hours.~~

~~(2) If the house-banked card game licensee stores chip trays containing any chips and/or coin at the gambling table during nongambling hours,~~

~~(3) If the house-banked card game licensee stores chip trays containing chips and/or coin in the cashier's cage during nongambling hours,--~~

~~[Statutory Authority: RCW 9.46.070.]~~

**WAC 230-40-860 Table inventories and procedures for opening tables for house-banked card games.****Storing containers and inventory slips.**

(2) Each table inventory and the table inventory slip prepared in conformity with the procedures set forth in WAC 230-40-875 shall be stored during nongaming hours in a separate locked, clear container which shall be clearly marked on the outside with the game and the gaming table number to which it corresponds. The information on the table inventory slip shall be visible from the outside of the container. All containers shall be stored in the cashier's cage during nongaming hours: Provided, That containers may be secured at the gaming table if under recorded surveillance.

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**230-15-128 Notifying the commission of card game interruptions.**

House-banked card game licensees must notify us in writing if they interrupt operations of card games for more than seven days. Licensees must:

- (1) Notify us at least three days before the interruption; and
- (2) Include the reason for the interruption; and
- (3) Include the estimated date card games will resume.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-801 Interruption of card games -- Preoperational review and evaluation required -- Procedures -- House-banking.****Notification of interruptions in operations.**

(2) A licensee shall notify the commission in writing if the operation of house-banked card games is interrupted for more than seven days. Such notification shall:

- (a) Be made within three days of the interruption;
- (b) Include the reason for ceasing operations; and
- (c) Include the estimated date operations are planned to recommence.

**Procedures for interruptions in operations.**

(3) A licensee shall comply with the following procedures prior to commencing operations:

- (a) Provide the commission, in writing, with any changes in the information required by WAC 230-04-207;
- (b) Request commission staff to evaluate the impact of any changes in internal controls, physical layout, or personnel structure and to complete a PORE for changes that are material;
- (c) Correct any discrepancies noted by the staff's review; and
- (d) Receive written approval from the director to commence operations: Provided, That the director may allow limited operations when changes require the staff to observe operations in order to evaluate the impact of changes.

[Statutory Authority: RCW 9.46.070. 01-23-055, § 230-40-801, filed 11/20/01, effective 1/1/02.]

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**Rule Summary: changing to match actual practice**

**230-15-130 Interruption of card games for more than seven days.**

- (1) If house-banked card game licensees interrupt card game operations for more than seven days, we determine whether a preoperational review and evaluation (PORE) is needed. Licensees must receive our written approval before resuming operations.
- (2) The PORE determines whether:
  - (a) Licensees have an organizational structure that can support their proposed accounting and administrative controls; and
  - (b) Internal accounting and administrative controls ensure that licensees closely control the gambling activities and accurately record financial information; and
  - (c) Licensees have enough trained staff; and
  - (d) The physical layout of the card room and supporting functions can handle the proposed accounting and administrative controls.

[Statutory Authority: RCW 9.46.070 and RCW 9.46.153.]

**WAC 230-40-801 Interruption of card games -- Preoperational review and evaluation required -- Procedures -- House-banking.**

A house-banked card room applicant, or a current licensee who interrupts operations for a substantial period, shall demonstrate the ability to comply with commission requirements prior to operating house-banked card games. In order to demonstrate such capability, the commission staff shall complete a preoperational review and evaluation (PORE) of the entire operation. The following requirements and preoperating procedures apply to house-banked card rooms:

**Review and evaluation process.**

- (1) The commission staff shall review and evaluate the information presented per WAC 230-04-207 to determine:

- (a) The internal accounting and administrative controls are adequate to assure gambling activities are controlled and results of operations are accurately recorded;
  - (b) The physical layout of the card room and supporting functions are adequate to implement the proposed accounting and administrative controls;
  - (c) The applicant has adequate trained personnel and an organizational structure that will support implementation of the proposed accounting and administrative controls.
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## Handling Cash or Chips in House-Banked Card Rooms

### **230-15-131 Closely controlling money.**

House-banked card game licensees must closely control and keep records documenting all receipts and disbursements of cash, cash equivalents, chips, and coin related to the operation of card games.

#### **WAC 230-40-830 Cashier's cage -- Requirements -- House-banking. Location.**

All cash, cash equivalents, and chips related to the operation of card games shall be closely controlled and records maintained documenting receipts and disbursements. Licensees shall maintain a cashier's function whose responsibility shall be to secure and account for all chips and monies in the card room portion of the premises.

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### **230-15-132 Cashier cage design and structure.**

(1) House-banked card game licensees must:

- (a) Locate on, or immediately adjacent to, the gambling floor a physical structure to house the cashier and act as a cashier cage.
- (b) Design, construct, and operate the cashier cage to provide maximum security and accountability for funds.

(2) The cage must include, at a minimum:

- (a) An enclosed structure with openings through which gambling chips, checks, cash, records, documents, and other such items can be passed;
- (b) Manually triggered silent alarm systems connected directly to the surveillance room(s) of the closed circuit television system or an alarm monitoring agency; and
- (c) A locked door, which the surveillance department monitors access to with closed circuit television.

[Statutory Authority: RCW 9.46.070.]

#### **Design and structure.**

(2) The cage shall be designed, constructed and operated to provide maximum security and accountability for funds including, at a minimum, the following:

- (a) An enclosed structure except for openings through which items such as gaming chips, checks, cash, records, and documents can be passed to service the public and gaming tables;
  - (b) Manually triggered silent alarm systems connected directly to the surveillance rooms of the closed circuit television system or an alarm monitoring agency;
  - (c) Access shall be through a locked door, which shall have closed circuit television coverage which is monitored by the surveillance department.
-

**230-15-133 Operating the cashier cage.**

(1) House-banked card game licensees must have a cashiers cage which is responsible for securing and accounting for all chips and monies in the card room portion of the business premises. Licensees must ensure that their cage cashiers, at least:

- (a) Keep the cage inventory including currency, coin, player checks, gambling chips, forms, documents, and records normally associated with the operation of a cage, including, at least:
  - (i) Receiving gambling chips, cash, checks, and other cash equivalents from players in exchange for currency or coin or for check consolidations, total or partial redemptions, or substitutions; and
  - (ii) Receiving cash or chips from the count room; and
- (b) Perform functions necessary to ensure accurate accountability of funds and chips consistent with these requirements, including, at least:
  - (i) Reconciling the total closing inventory with the total opening inventory
  - (ii) Receiving request for fill slips in order to issue fill slips and requested coin and chips; and
  - (iii) Receiving chips and coins removed from gambling tables in exchange for issuing of a credit; and
  - (iv) Receiving documents with signatures that ensure the effective segregation of duties; and
  - (v) Counting and recording the face value of each cage inventory item on a cashier's count sheet, along with the total opening and closing inventories, at the end of each of their outgoing shifts; and
  - (vi) Signing, at their incoming and outgoing shift, the cashier's count sheet and the cage inventory count sheet, attesting to accuracy of the count.
  - (vii) Preparing the overall cage reconciliation and accounting records; and
  - (viii) Forwarding, at the conclusion of the daily gambling activity, copies of the cashier's count sheet, cage inventory count sheet, and related documents to the accounting department for reconciling the agreement of opening and closing inventories, notification of error slips, and the agreement of amounts on other forms, records, and documents recording transactions.

(2) Licensees may sell merchandise items out of the cashiers cage as long as they have a separate bank and receipting system for the sale and accounting of these items.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-830 Cashier's cage -- Requirements -- House-banking.  
Location.**

...At a minimum, the following restrictions and procedures apply:

(1) There shall be on or immediately adjacent to the gaming floor a physical structure known as the cashier's cage (cage) to house the cashiers and to serve as the central location for, at a minimum, the following:

- (a) The custody of the cage inventory comprising currency, coin, patron checks, gaming chips, forms, documents and records normally associated with the operation of a cage;
- (b) The approval of patron checks for the purpose of gaming;
- (c) The receipt and distribution of gaming chips from the gaming table and the redemption of gaming chips from patrons. The purchase of gaming chips by patrons shall only occur at the gaming table...; and
- (d) Such other functions normally associated with the operation of a cage.

**WAC 230-40-835 Accounting controls for cashier's cage.**

Licensees required to maintain a cashier's cage shall adhere to the following controls to ensure proper accountability for funds. The following restrictions and procedures apply to cashiers and the cage:

(1) Cashiers shall be responsible for at least the following functions:

- (a) Receive cash, checks, and gaming chips from patrons for check consolidations, total or partial redemptions or substitutions;
- (b) Receive gaming chips from patrons in exchange for cash;
- (c) Receive traveler's checks and other cash equivalents (including money orders, certified checks, and cashier's checks) from patrons in exchange for currency or coin;
- (d) Receive documentation with signatures thereon, required to be prepared for the effective segregation of functions in the cashier's cage;
- (e) Receive from security department personnel, chips and coins removed from gaming tables in exchange for the issuance of a credit;
- (f) Receive from security department members, requests for fills in exchange for the issuance of a fill slip and the disbursement of gaming chips;
- (g) Receive cash or chips from the count room;
- (h) At the end of each shift, the cashiers assigned to the outgoing shift shall count each cage inventory item and record on a cashier's count sheet the face value of each inventory item and the total of the opening and closing inventories. The total closing inventory shall be reconciled with the total opening inventory;
- (i) Prepare the overall cage reconciliation and accounting records; and
- (j) Perform such other functions as necessary to ensure proper accountability of funds and chips consistent with these standards.

(2) Signatures attesting to accuracy shall, at a minimum, be contained on the following:

- (a) Cashier's count sheet; and
- (b) Cage inventory countsheet, which includes the signatures of the cashiers assigned to the incoming and outgoing shifts.

(3) At the conclusion of the daily gaming activity, copies of the cashier's count sheet, cage inventory count sheet and related documentation shall be forwarded to the accounting department for agreement of opening and closing inventories,

and agreement of amounts thereon to other forms, records and documentation for recording of transactions.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-835, filed 4/14/00, effective 5/15/00.]

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**230-15-135 Access and entrance to cashier's cage.**

(1) House-banked card game licensees must limit entry to the cashier's cage to authorized personnel. Licensees must place on file with the accounting department the names of:

- (a) All persons authorized to enter the cage; and
- (b) Those who have the combination, keys, or the mechanism to open the locks to the entrance of the cage; and
- (c) Those who have the ability to operate the alarm systems.

(2) Licensees must keep a sign in log in the format we require of all persons accessing the cashier's cage.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-830 Cashier's cage -- Requirements -- House-banking. Entry into the cage.**

(3) Entry to the cage shall be limited to authorized personnel. The gaming operation department shall place on file with the accounting department the names of all persons authorized to enter the cage, those who possess the combination or the keys or who control the mechanism to open the locks securing the entrance to the cage, and those who possess the ability to operate the alarm systems.

(4) A log shall be maintained documenting all persons entering the cashier's cage. The log must contain the person's name, title, time entering and exiting, and date of entry.

[Statutory Authority: RCW 9.46.070. 01-13-091 (Order 403), § 230-40-830, filed 6/19/01, effective 7/20/01; 00-09-052 (Order 383), § 230-40-830, filed 4/14/00, effective 5/15/00.]

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**Rule Summary: changed requirement for review to "accounting department" rather than "a supervisor of the accounting department" and removed "before replenishment" because that's not how things are really done in the card rooms.**

**230-15-137 Cashier cage bank requirements.**

(1) House-banked card game licensees must keep the cashier's cage on an imprest basis. "Imprest basis" means the cage must replenish funds on a regular basis in exactly the amount of outgoing cash, chips, or coin (expenditures) minus the amount of funds added.

(2) The accounting department must review expenditures and replenishments.

(3) Licensees who have demonstrated the ability to operate cage activities properly may request our approval to operate on a float basis. "Float basis" means the cage may adjust cash inventory as necessary.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-833 Cashier's bank and minimum bankroll -- House-banking.**

All card room licensees with house-banked card games or player-supported jackpots shall maintain sufficient funds to meet all cash out and prize payout requirements.

(1) All assets for which the cashiers are responsible shall be maintained on an imprest basis. This requires funds to be replenished on a regular basis by exactly the amount of expenditures from the cage less the amount of funds added. Expenditures shall be reviewed by a supervisor of the accounting department before replenishment: Provided, That licensees demonstrating the ability to control cage activity can request commission staff approval to operate on a float basis as an alternative procedure.

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Rule Summary: Moved to General because we feel this does and should apply to all licensees. Licensees are already complying with this

**230-15-137a Minimum cash on hand requirements.**

- (1) House-banked card game licensees must have sufficient cash on hand to redeem all chips issued for play and pay out all prizes.
- (2) Licensees may pay prizes by check as long as sufficient funds are available in the account.
- (3) Failure to keep funds to cash in chips, pay prizes, or redeem gambling related checks is prima facie evidence of fraud.

[Statutory Authority: RCW 9.46.070 and RCW 9.46.190.]

**WAC 230-40-833 Cashier's bank and minimum bankroll -- House-banking.**

(2) The licensee shall have sufficient cash on hand to redeem all chips and payout all prizes: Provided, That payments of prizes may be paid by check as long as sufficient funds are available on deposit in accordance with WAC 230-40-608 and 230-40-808.

(3) Failure to maintain funds to cash in chips, pay prizes, or redeem gaming related checks shall be prima facie evidence of fraud.

[Statutory Authority: RCW 9.46.070. 01-13-091 (Order 403), § 230-40-833, filed 6/19/01, effective 7/20/01; 00-09-052 (Order 383), § 230-40-833, filed 4/14/00, effective 5/15/00.]

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**230-15-138 Separate imprest bank allowed for nonhouse-banked card games.**

House-banked card game licensees operating both house-banked and nonhouse-banked games may sell chips for poker games through an imprest



bank other than the cashier cage. The bank must be located within the cashier's cage or another location approved in the internal controls.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-830 Cashier's cage -- Requirements -- House-banking.  
Location.**

(1 cont'd) Provided, That licensees operating both house-banked and nonhouse-banked games may sell chips for use in poker games through an imprest window bank located within the cashier's cage, or another location approved by commission staff

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**230-15-139 Accepting checks at the cashier's cage.**

(1) House-banked card game licensees may accept checks from players as explained in WAC 230-06-005, but must meet the following additional requirements:

- (a) House-banked card game licensees may only accept checks from players at the cashier's cage; and
- (b) Before cashing the check, the cage cashier must examine the player's identification to confirm the player's identity; and
- (c) The cage cashier must:
  - (i) Endorse the check "for deposit only" to the house-banked card game licensee's bank account; and
  - (ii) Initial the check; and
  - (iii) Date and time stamp the check; and
  - (iv) Verify that the player is not listed on the daily returned check report. If house-banked card game licensees uses a check guarantee and collection service, the licensee may disregard this subsection; and
  - (v) Exchange the check for currency and coin in the amount for which the check is drawn, minus any applicable fees; and
  - (vi) Forward all player checks to the main bank cashier.
- (2) Before accepting a traveler's check from a player, the cashier must:
  - (a) Require the player to countersign the traveler's check in the cashier's presence; and
  - (b) Compare the countersignature with the original signature on the traveler's check; and
  - (c) Examine the traveler's check for any signs of tampering, forgery or alteration; and
  - (d) Perform any other procedures that the issuer of the traveler's check requires in order to indemnify the acceptor against loss.
- (3) House-banked card game licensees must deposit all checks received into their bank account, within two banking days after receipt. Checks deposited to an armored car service within two days meet this requirement.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-845 Procedures for exchange of checks submitted by gaming patrons at cashier's cage.**

In addition to the requirements set forth in WAC 230-12-053, checks submitted to the cashier's cage are subject to the following restrictions and procedures:

- (1) All checks sought to be exchanged at the cashiers' cage shall be presented directly to the cashier who shall:
  - (a) Restrictively endorse the check "for deposit only" to the licensee's bank account;
  - (b) Initial the check;
  - (c) Date and time stamp the check;
  - (d) Verify that the patron is not listed on the returned check log;
  - (e) Immediately exchange the check for currency and coin in an amount equal to the amount for which the check is drawn less any applicable fees; and
  - (f) Forward all patron checks to the main bank cashier.
- (2) Prior to acceptance of a traveler's check from a patron, the cashier shall:
  - (a) Require the patron to countersign the traveler's check in his or her presence;
  - (b) Compare the countersignature with the original signature on the traveler's check;
  - (c) Examine the traveler's check for any other signs of tampering, forgery or alteration; and
  - (d) Perform any other procedures that the issuer of the traveler's check requires in order to indemnify the acceptor against loss.
- (3) Prior to the acceptance of any check from a patron, the cashier shall examine that patron's identification to confirm the patron's identity.
- (4) All checks received shall be deposited in the licensee's bank account within two banking days after receipt: Provided, That checks deposited within two days to an armored car service shall meet this requirement.

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New tip rule is on the same time track to be passed as this chapter. This rule will be revised if the new tip rule is passed.

**230-15-186 Tips from players and patrons to card room employees.**

Licensees may allow selected employees to accept tips from patrons. If allowed, licensees must control tips in a manner to ensure that only authorized employees receive tips, that tips are properly accounted for, and that tips are maintained separately from all other gambling funds. Licensees must apply the following restrictions and procedures:

- (1) No employee directly concerned with management, supervision, accounting, security, or surveillance may solicit, accept or otherwise share any tip originating from any player or patron. Licensees may allow cage cashiers to accept tips.
- (2) Each licensee must establish procedures necessary to ensure that the floor supervisor and surveillance observe dealers accepting tips. Procedures must

include an overt display of tips received, such as tapping the table with the tip prior to placing it in the tip container.

(3) Cashier tip containers must be located outside the cage enclosure. The patron must directly deposit tips to the cashier into the tip container.

(4) Employees must retain or pool tips among employees as the licensee determines.

(5) Licensees must establish and implement procedures for the proper accounting of tips received by authorized card room employees. The licensee must fully document procedures in the internal controls and must describe in detail any methods used to allocate tips. Accounting and recording of tip income must be in sufficient detail to meet federal income tax requirements.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-855 Acceptance of tips from patrons for house-banked activities.**

Licensees may allow selected employees to accept tips from patrons. If allowed, tips shall be controlled in a manner to ensure they are only received by authorized persons, properly accounted for, and maintained separate from all other gaming funds. The following restrictions and procedures apply:

(1) No employee directly concerned with management, supervision, accounting, security, or surveillance shall solicit, accept or otherwise share any tip originating from any player or patron: Provided, That cage cashiers shall be allowed to accept tips.

(2) Each licensee shall establish procedures necessary to ensure that the acceptance of tips by dealers is observed by the floor supervisor and surveillance. Procedures shall include an overt display of tips received, such as tapping the table with the tip prior to placing it in the tip container.

(3) Tips to the cashier shall be deposited directly into the tip container by the patron. Cashier tip containers shall be located outside the cage enclosure.

(4) Tips received shall be retained by employees or pooled among employees in such manner as determined by the licensee.

(5) Licensees shall establish and implement procedures for the proper accounting of tips received by authorized card room employees. The procedures shall be fully documented in the licensee's internal controls and shall describe in detail any methods used to allocate tips. Accounting and recording of tip income shall be in sufficient detail to meet federal income tax requirements.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-855, filed 4/14/00, effective 5/15/00.]

## Collecting Fees

### 230-15-153 Fee collection on winning hands.

The only direct or indirect fee (commission) house-banked card game licensees may collect is a maximum of five percent from a winning hand.

[Statutory Authority: RCW 9.46.070.]

### WAC 230-40-040 Fees for house-banked card games -- Prohibited -- Exception.

No person shall be charged a fee, directly or indirectly, to participate in house-banked card games: Provided, That a licensee may collect a commission of not more than five percent from a winning hand.

[Statutory Authority: RCW 9.46.070. 03-20-009 (Order 424), § 230-40-040, filed 9/18/03, effective 1/1/04; 00-09-052 (Order 383), § 230-40-040, filed 4/14/00, effective 5/15/00.]

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### 230-15-154 Using drop boxes.

(1) House-banked card game licensees must use a metal drop box to collect payment. Drop boxes must be constructed so that the contents are secure.

(2) Licensees must attach a drop box to each gambling table. The dealer, the floor supervisor, or security personnel must deposit in this drop box all cash, requests for fill, duplicate fill slips, requests for credit, credit slips, and table inventory forms.

(3) Each drop box must have:

- (a) **A box lock** — A lock securing the contents. The accounting department must keep and control the key to this lock;
- (b) **A table lock** — A separate lock securing the drop box to the gambling table. House-banked card game licensees must key this lock differently from the lock securing the contents of the drop box. The security department must keep and control the key used to unlock this lock;
- (c) **An opening** — An opening through which currency, coins, chips, forms, records and documents can be inserted into the drop box;
- (d) **A label** — A permanently imprinted or impressed number that is clearly visible and corresponds to a permanent number on the gambling table to which the box is attached. House-banked card game licensees must also include a marking to indicate the game. Licensees also must include the shift if they remove drop boxes from tables more than once during a gambling day.

(4) Licensees may keep emergency drop boxes if they permanently imprint or impress "emergency" on the box, and, when they put the emergency box into use, licensees temporarily mark it with the number of the gambling table and identification of the game and shift.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-840 Drop boxes -- House-banking -- Drop box collection method.**

All card room licensees operating house-banked card games or collecting fees utilizing the drop box collection method (WAC 230-40-050) shall use a drop box. Drop boxes shall be constructed and controlled in a manner to provide security of contents and shall meet the following requirements and procedures:

**Drop box requirements.**

(1) Each gaming table shall have attached to it a metal container known as a "drop box" into which all cash, duplicate fill slips and credit slips, request for fills, request for credits, and table inventory forms shall be deposited.

(2) Each drop box shall have the following:

*Box lock.*

(a) A lock securing the contents. The key to this lock shall be maintained and controlled by the accounting department;

*Table lock.*

(b) A separate lock securing the drop box to the gaming table. This lock shall be keyed differently from the lock securing the contents of the drop box. The key utilized to unlock this lock shall be maintained and controlled by the security department;

*Opening on box.*

(c) An opening through which currency, coins, chips, forms, records and documents can be inserted into the drop box;

*Labeling drop boxes.*

(d) Permanently imprinted or impressed thereon and clearly visible, a number corresponding to a permanent number on the gaming table to which it is attached and a marking to indicate the game. The shift shall also be included if drop boxes are removed from tables more than once during an operating day: Provided, That emergency drop boxes may be maintained without such number or marking, if the word "emergency" is permanently imprinted or impressed thereon, and when put into use, are temporarily marked with the number of the gaming table and identification of the game and shift.

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**230-15-155 Transporting drop boxes.**

(1) When transporting drop boxes, house-banked card game licensees must have one security employee and one gambling operation employee transport all drop boxes removed from the gambling tables directly to the count room and secure them there. The security employee must notify the surveillance department when transport begins.

(2) If drop boxes are removed from gambling tables at times other than the close of the gambling day, the persons removing drop boxes must remove them during a shift change. These persons must prepare a table inventory slip as required in

**WAC 230-15-XXX**, and the incoming and outgoing supervisors must verify the inventory and sign the table inventory slip.

(3) Count team members may pull and transport the drop boxes to the count room for the count process as long as:

- (a) The gambling operation is closed; and
- (b) The card room entrances/exits are locked; and
- (c) Security supervises the transport.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-840 Drop boxes -- House-banking -- Drop box collection method.**

**Transportation to the count room.**

(3) All drop boxes removed from the gaming tables shall be transported directly to the count room and secured by one security department member and one employee of the gaming operation department: Provided, That licensees not required to maintain a count room shall transport drop boxes directly to the count area using the supervisor or the supervisor's designee for the transport: Provided further, That a licensee may utilize the count team members to pull and transport the drop boxes to the count room for the count process, if conducted under the supervision of security when the gaming operation is closed and the card room entrances/exits are locked.

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**230-15-156 Storing drop boxes not attached to tables in the count room.**

House-banked card game licensees must store all drop boxes not attached to a gambling table in the count room in an enclosed storage cabinet or trolley with two separately keyed locks. The security department must keep and control one of the keys to the locks and the gambling operation department must keep and control the other key to the locks.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-840 Drop boxes -- House-banking -- Drop box collection method.**

**Storing drop boxes in count room.**

(4) All drop boxes not attached to a gaming table shall be stored in the count room in an enclosed storage cabinet or trolley and secured in such cabinet or trolley by two separately keyed locks. The key to one lock shall be maintained and controlled by the security department and the key to the other lock shall be maintained and controlled by the gaming operation department.

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**What we changed:** We have rewritten this rule to use the word "recorded" instead of "taped."

**Why:** Many operators now use digital surveillance recording and, therefore, do not have tapes. "Recorded" allows for both analog and digital recording.

### **230-15-157 Storing drop boxes on closed gambling tables.**

House-banked card game licensees may store drop boxes on closed gambling tables if recorded surveillance covers the entire area.

[Statutory Authority: RCW 9.46.070.]

#### **WAC 230-40-840 Drop boxes -- House-banking -- Drop box collection method.**

##### **Storing drop boxes on gaming tables.**

(5) Drop boxes, when not in use during a shift, may be stored on the gaming tables if the entire area is covered by taped surveillance.

[Statutory Authority: RCW 9.46.070. 01-13-091 (Order 403), § 230-40-840, filed 6/19/01, effective 7/20/01; 00-09-052 (Order 383), § 230-40-840, filed 4/14/00, effective 5/15/00.]

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### **230-15-158 Requirements for count rooms.**

(1) House-banked card game licensees must have a secured area, called a "count room," for counting the contents of drop boxes.

(2) Licensees must design and construct the count room to provide maximum security for the materials housed there and for the activities conducted there. The count room must be fully enclosed with only one entry. House-banked card game licensees must also have:

- (a) A door with at least one lock securing the count room door. The security department must keep and control the key or combination to the door. If a double locking system is used, the gambling operation department must keep a second key; and
- (b) A sign-out procedure for all authorized keys used for the count process; and
- (c) An alarm device connected to the entrance of the count room so that opening the door signals the surveillance employees monitoring the closed circuit television system.

(3) In the count room, house-banked card game licensees must have:

- (a) A table of clear glass or similar material with a base that does not obstruct viewing for the emptying, counting, and recording of the contents of the drop boxes (the "count"); and

- (b) Closed circuit television cameras and microphones that capture effective and detailed video and audio monitoring of the entire count process; and
- (c) A sign in the count room or at the entrance that states audio recordings is occurring within the count room at all times.

(4) Licensees must keep a count room sign-in log in the format we require.

[Statutory Authority: RCW 9.46.070.]

Now in another rule Class F count process

**WAC 230-40-880 Count room requirements.**

All card room licensees offering house-banked card games or **utilizing drop boxes for the collection of game fees or wagers** shall be required to maintain a secured area for the counting of gaming chips, coin, and currency. The following requirements, restrictions, and procedures apply:

- (1) There shall be a room specifically designated for counting the contents of drop boxes, which shall be known as the "count room" **Paste rest of rule back**
- (2) The count room shall be a fully enclosed room with only one entry designed and constructed to provide maximum security for the materials housed therein and for the activities conducted therein, to include at a minimum, the following:
  - (a) A door equipped with at least one lock securing the count room door, the key or combination to which shall be maintained and controlled by the security department. If a double locking system is used, the gaming operation department shall maintain a second key;
  - (b) The gaming operation department or security department shall establish a sign-out procedure for all keys removed from the security department; and
  - (c) An alarm device connected to the entrance of the count room in such a manner as to cause a signaling to the surveillance employees of the closed circuit television system whenever the door to the count room is opened.
- (3) The following shall be located within the count room:
  - (a) A table constructed of clear glass or similar material with a base that does not obstruct viewing for the emptying, counting, and recording of the contents of the drop boxes which shall be known as the "count";
  - (b) Closed circuit television cameras and microphones that are capable of, but not limited to, the following:
    - (i) Effective and detailed video and audio monitoring of the entire count process; and
    - (ii) Effective, detailed video-monitoring of the count room and all contents, including storage cabinets or trolleys used to store drop boxes.
  - (c) The licensee shall post a sign within the count room or at the entrance disclosing that audio recordings within the count room are being conducted at all times.
- 4) A count room sign-in log shall be maintained by the licensee as prescribed by the commission.



[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-880, filed 4/14/00, effective 5/15/00.]

**What we changed:** We have rewritten this rule to include an existing rule interpretation.

**Why:** We are attempting to clarify and strengthen the rule by adding in the requirements about who can serve on a count team.

Steve Griffiths feels that this interpretation does not have the full force of WAC and therefore should go through the formal rule-making process.

The limiting of who can be on the count team impacts small businesses who don't have the personnel to have three extra people. He feels the rule interpretation is in conflict with the old rule. Make examples of who can/cannot work—i.e. persons who worked the previous day because they would be counting their own paperwork, people who work in accounting who also review the count. Anyone who signed the prior day's documents. Owners always have a conflict.

### **230-15-159 Preparing to conduct a count.**

- (1) House-banked card game licensees must assign employees to conduct the count. The count team must be made up of three or more licensed employees who do not work in the surveillance department or who do not have duties which include preparing, approving, or reviewing records used in the count process.
- (2) Licensees must accurately count and record the contents of drop boxes to ensure the proper accountability of all gambling chips, coin, and currency. The count must be done at least once each gambling day.
- (3) If a cage cashier completes the opener, closer, fills, and credits portions of the master game report, the cashier sends the original to the count team for completion. The cage cashier must immediately send a copy directly to the accounting department.
- (4) A count team member must notify the surveillance room observer that the count is about to begin, after which the surveillance employee must make a video and audio recording of the entire count process.
- (5) Before the opening of the drop boxes, the count team must lock the door to the count room. House-banked card game licensees must permit no person to enter or leave the count room, except for a normal work break or an emergency, until the count team has completed the entire counting, recording, and verification process for the contents of drop boxes.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-885 Count procedures -- House-banking.**

Card rooms that offer house-banked card games shall ensure the contents of drop boxes are counted and recorded in a manner that ensures the proper accountability of all gaming chips, coins, and currency. The following restrictions and procedures apply:

**Notification of count.**

(1) The security department shall notify the surveillance department whenever the contents of drop boxes removed from gaming tables are to be counted and recorded, which, at a minimum, shall be once each gaming day.

**Count team members.**

(2) The opening, counting and recording of the contents of drop boxes shall be performed in the presence of and by those employees assigned by the gaming operation department for the conduct of the count. The count team must consist of three employees who shall not be in a position to perpetrate or conceal errors or irregularities in the normal course of his or her duties. Anyone both recording transactions and having access to the relevant assets is in a position to perpetrate errors or irregularities.

**Securing the count room.**

(3) Immediately prior to the opening of the drop boxes, the doors to the count room shall be securely locked and except as otherwise authorized, no person shall be permitted to enter or leave the count room, except during a normal work break or in an emergency, until the entire counting, recording, and verification process is completed.

**Video and audio recording of the count.**

(4) Immediately prior to the commencement of the count, one count team member shall notify the person assigned to the closed circuit television surveillance room in the establishment that the count is about to begin, after which such person shall make a video and audio recording of the entire counting process.

**Count procedures.**

(5) (h) Notwithstanding the requirements of (f) and (g) of this subsection, if the licensee's system of accounting and internal controls provides for the recording on the master game report of fill slips, credit slips, and table inventory slips by cage cashiers prior to the commencement of the count, a count team member shall compare the serial numbers and totals of the amounts recorded thereon to the fill slips, credit slips, and table inventory slips removed from the drop boxes: Provided, That the accounting department may complete the win/loss portions independently from the count team, if properly documented in the approved internal controls; and (i) After completion and verification of the master game report, each count team member shall sign the report attesting to the accuracy of the information recorded thereon.

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The original rule was extremely difficult to understand and we have consulted several times with the field experts and admin team to get the rule correct.

**230-15-160 Conducting the count.**

- (1) The contents of drop boxes must not be mixed before the count team separately counts and records the contents of each box; and
- (2) As each drop box is placed on the count table, a count team member must announce the game, table number, and shift, if applicable, marked on the drop box loudly enough to be heard by all persons present and to be recorded by the audio recording equipment; and
- (3) A count team member must empty the contents on to the count table; and
- (4) Immediately after the contents are emptied onto the count table, a count team member must hold up the inside of the drop box to the full view of a closed circuit television camera, and show it to at least one other count team member to confirm that all contents of the drop box have been removed. A count team member must then lock the drop box and place it in the drop box storage area; and
- (5) Count team member(s) must separate the contents of each drop box into separate stacks on the count table by denominations of coin and currency and by type of form, record, or document; and
- (6) At least two count team members must count, either manually or mechanically, each denomination of coin and currency separately. Count team members must place individual bills and coins of the same denomination on the count table in full view of the closed circuit television cameras, and at least one other count team member must observe and confirm the accuracy of the count orally or in writing; and
- (7) As the contents of each drop box are counted, a member of the count team must record the total amount of coin, chips, and currency counted (the drop) on the master games report; and
- (8) If a cage cashier has recorded the opener, closer, fill slips, and credit slips on the master game report before the count, a count team member must compare the series numbers and totals recorded on the master game report to the fill slips, credit slips, and table inventory slips removed from the drop boxes, confirm the accuracy of the totals, and must record, by game and shift, the totals we require on the master game report. Otherwise, the count team must complete all required information on the master game report; and
- (9) The accounting department may complete the win/loss portions of the master game report independently from the count team, if this is properly documented in the approved internal controls.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-885 Count procedures -- House-banking.  
Count procedures.**

(5) Contents of drop boxes shall not be mixed prior to counting and recording of each drop box. Procedures and requirements for conducting the count shall be the following:

- (a) As each drop box is placed on the count table, one count team member shall announce, in a tone of voice to be heard by all persons

present and to be recorded by the audio recording device, the game, table number, and shift marked thereon;

(b) The contents of each drop box shall be emptied and counted separately on the count table;

(c) Immediately after the contents of a drop box are emptied onto the count table, the inside of the drop box shall be held up to the full view of a closed circuit television camera, and shall be shown to at least one other count team member to confirm that all contents of the drop box have been removed, after which the drop box shall be locked and placed in the storage area for drop boxes;

(d) The contents of each drop box shall be segregated by a count team member into separate stacks on the count table by denominations of coin and currency and by type of form, record or document;

(e) Each denomination of coin and currency shall be counted separately, either manually or mechanically, by at least two count team members who shall place individual bills and coins of the same denomination on the count table in full view of the closed circuit television cameras, and such count shall be observed and the accuracy confirmed orally or in writing, by at least one other count team member;

(f) As the contents of each drop box is counted, one count team member shall record or verify on a master game report, by game, table number, and shift, the following information:

(i) The total amount of currency and coin counted, also known as the "drop";

(ii) The amount of the opener;

(iii) The amount of the closer;

(iv) The serial number and amount of each fill slip;

(v) The total amount of the fill;

(vi) The serial number and amount of each credit slip;

(vii) The total amount of all credit slips; and

(viii) The game win or loss.

(g) After the contents of each drop box have been counted and recorded, one member of the count team shall record by game and shift, on the master game report, the total amounts of currency and coin, table inventory slips, fill slips and credit slips counted, and win or loss, together with such additional information as may be required on the master game report by the licensee;

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The original rule was extremely difficult to understand and we have consulted several times with the field experts and admin team to get the rule correct.

### **230-15-161 Concluding the count.**

(1) After completing the count, the count team must have all cash removed from the drop boxes verified by a cage cashier.

- (2) In the presence of the count team and before looking at the master game report, the cashier must recount the cash, either manually or mechanically.
- (3) The cashier must sign the master game report verifying that it is accurate.
- (4) Each count team member must sign the report attesting to the accuracy of the information recorded.
- (5) A count team member or other employee, except for the cage cashier, must take the original master game report to the accounting department, along with the request for fills, the fill slips, the requests for credit, the credit slips, and the table inventory slips removed from drop boxes.

[Statutory Authority: RCW 9.46.070.]

#### **WAC 230-40-885 Count procedures -- House-banking.**

##### **Concluding the count.**

(6) Procedures and requirements at the conclusion of the count for each gaming shift shall be the following:

- (a) All cash removed from each drop box after the initial count shall be presented in the count room by a count team member to a cashier who, prior to having access to the information recorded on the master game report and in the presence of the count team, shall recount, either manually or mechanically, the cash received;
- (b) The top copy of the master game report, after signing, and the request for fills, the fill slips, the request for credits, the credit slips, and the table inventory slips removed from drop boxes, shall be transported directly to the accounting department and shall not be available to any cashier's cage personnel; and
- (c) If the licensee's system of accounting and internal controls does not provide for the forwarding from the cashier's cage of the duplicate of the fill slips, credit slips, request for credits, request for fills, such documents recorded or to be recorded on the master game report shall be transported from the count room directly to the accounting department.

**What we changed:** We have rewritten this rule to remove the daily check of the whiz machine.

**Why:** This change is less restrictive for licensees and will allow accounting departments to close on weekends. Previously, at least one employee had to come in on weekends simply to compare a sample of duplicates and triplicates against the originals. With this change, the accounting checks can take place during the first day of work after a weekend or holiday.

#### **230-15-162 Accounting department review of the count.**

- (1) On a daily basis, the accounting department must:
  - (a) Have persons with no recording responsibilities compare a sample of originals and copies of the day's master game report, requests for fill, fill slips, requests for credit, credit slips and table inventory slips for

- agreement with each other and, if applicable, to triplicates or stored data; and
  - (b) Review a sample for the appropriate number and propriety of signatures; and
  - (c) Account for the originals and copies by series numbers, if applicable; and
  - (d) Test the originals and copies for proper calculation, summarization, and recording; and
  - (e) Subsequently record the originals and copies in monthly records; and
  - (f) Keep and control the originals and copies.
- (2) If the accounting department does not work on weekends or federal or state holidays, they must complete these reviews on the following day.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-885 Count procedures -- House-banking.  
Accounting.**

- (7) The originals and copies of the master game report, request for fills, fill slips, request for credits, credit slips and table inventory slips shall on a daily basis, in the accounting department be:
- (a) Compared for agreement with each other, on a test basis, by persons with no recording responsibilities and, if applicable, to triplicates or stored data;
  - (b) Reviewed for the appropriate number and propriety of signatures on a test basis;
  - (c) Accounted for by series numbers, if applicable;
  - (d) Tested for proper calculation, summarization, and recording;
  - (e) Subsequently recorded; and
  - (f) Maintained and controlled by the accounting department.

[Statutory Authority: RCW 9.46.070. 01-13-091 (Order 403), § 230-40-885, filed 6/19/01, effective 7/20/01; 00-09-052 (Order 383), § 230-40-885, filed 4/14/00, effective 5/15/00.]

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## Securing House-banked Card Room Keys

### **230-15-163 Restricting access and controlling house-banked card room keys.**

House-banked card game licensees must use keys to restrict access to unauthorized areas.

- (1) Licensees must install and keep key control boxes that, at least:
  - (a) Are constructed of metal with a minimum of one keylock mechanism. We permit coded key boxes or combination key boxes; and
  - (b) Are attached to a permanent structure without the hardware used to attach the key box being visible; and
  - (c) Are tamper proof; and
  - (d) Store keys so that they are identifiable, have identification labels, and are displayed in numeric or alphabetic order; and
- (2) Licensees may decide the location of key control boxes, but the location must not allow an individual to gain access to a restricted area that he or she would not otherwise be authorized to enter.
- (3) If licensees locate key boxes in restricted areas, persons who are not authorized to enter those areas must give their key to the key box to an authorized person and the authorized person must only open the key box in the presence of the unauthorized person or while under camera coverage.

[Statutory Authority: RCW 9.46.070.]

### **WAC 230-40-895 Key control -- House-banking.**

All activities related to the operation of house-banked card games shall be closely monitored and controlled. The following restrictions and operating procedures shall apply for control of card room keys to restrict access to areas by unauthorized card room employees.

#### **Specifications.**

- (1) Each licensee shall install and maintain key control boxes that meet at least the specifications set forth below:
  - (a) Constructed of metal with a minimum of one keylock mechanism: Provided, That coded key boxes or combination key boxes are permitted;
  - (b) Be attached to a permanent structure without visibility of hardware used to attach the key box;
  - (c) Be tamper proof;
  - (d) Have keys stored therein to be easily identifiable, labeled, and displayed individually in numeric or alphabetic order; and
  - (e) The physical location of key control boxes may be determined by each licensee. The location shall not permit an individual to gain access to a restricted area that he/she would otherwise not be allowed to enter. If key boxes are located in areas where unauthorized individuals have access, that person may only have custody of the key and open the key box in the presence of the key custodian; or while under camera coverage.

**230-15-164 Electronic key control systems.**

House-banked card game licensees may use electronic key control systems if we review and approve them in writing.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-895 Key control -- House-banking.****Electronic key control systems.**

(5) Licensees may utilize electronic key control systems, if reviewed and approved in writing by the director or the director's designee.

**What we changed:** We have rewritten this rule to include combinations to combination lock boxes.

**Why:** We are attempting to address the several different types of lockboxes licensees have available to them.

**230-15-165 Keeping individual key control boxes for departments.**

(1) House-banked card game licensees must keep individual key control boxes for at least these departments:

- (a) Gambling operations; and
- (b) Accounting; and
- (c) Security; and
- (d) Surveillance.

(2) Licensees must:

- (a) Document in their approved written internal controls how they will keep the keys or combinations to each key control box secure; and
- (b) Limit access to key control boxes to the licensed card room employee(s) responsible for the overall supervision or management of the department for which the box is kept. The employee(s) must keep this key or combination in their possession while gambling is being conducted; and
- (c) Keep any duplicate keys to the key control boxes in the master key control box.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-895 Key control -- House-banking.****Access.**

(2) Individual key control boxes shall be maintained by at least four departments including gaming operations, accounting, security, and surveillance. Access to key control boxes shall be limited to the licensed card room employee(s) responsible for overall supervision or management of the operation for which the box is maintained.

**Keys to key control box.**



(4) Keys to secure the contents of each key control box required above shall be strictly controlled as follows.

(a) There shall be one key for each key control box which shall be controlled by the manager of the department for which the key control box is designated. This key shall be distributed to the manager or supervisor in charge and maintained in their possession when gaming is being conducted.

(b) Keys to each key control box will be maintained in a secure manner as approved by commission staff and documented in the licensee's written internal controls.

"Owners" now in 230-15-172 (c) All spare or duplicate keys to the key control boxes identified above will be maintained in the master key control box and be controlled by the owner(s).

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### **230-15-167 Keeping a key control log.**

House-banked card game licensees must keep a key control log in the format we require to record the use and return of keys used to control access to restricted areas.

[Statutory Authority: RCW 9.46.070.]

#### **WAC 230-40-895 Key control -- House-banking. Control log.**

(3) Each licensee shall maintain for each key control box, a key control log used to record the issuance of and return of all keys used to control the restricted access areas by card room employees identified. The key control log shall be maintained in the format prescribed by the commission.

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### **230-15-168 Keys for the gambling operations department.**

In the gambling operations department, the key control box must include, at least, the key(s) to:

- (1) Each pit podium; and
- (2) Drawers and other locking cabinets located in each pit podium; and
- (3) Remove the cover from the chip trays. Personnel from the cashier's cage and the security department must not have access to these keys; and
- (4) The second lock on the enclosed storage cabinet or trolley used to store or transport all drop boxes removed from the gambling tables; and
- (5) All jackpot payout boxes included with authorized card games; and
- (6) All electrical control boxes used to maintain authorized card games; and
- (7) Other areas included in the approved internal controls.

[Statutory Authority: RCW 9.46.070.]

#### **WAC 230-40-860 Table inventories and procedures for opening tables for house-banked card games. Keys to locked containers.**

(3) The keys to table inventory containers shall be maintained and controlled by the gaming operation department in a secure place and shall at no time be made accessible to any cashier's cage personnel or to any person responsible for transporting such table inventories to or from the gaming tables.

**WAC 230-40-895 Key control -- House-banking.**

Keys shall be controlled in the following manner:

*Gaming operations department.*

(2)(a) Keys included in the key control box maintained by the gaming operations department shall include:

- (i) Key to each pit podium;
- (ii) Key(s) to drawers and other locking cabinets located in each pit podium;
- (iii) Key to remove the clear plastic cover from the container used to store gaming chips and secured to the gaming tables;
- (iv) Key to the second lock on the enclosed storage cabinet or trolley used to store or transport all drop boxes removed from the gaming tables;
- (v) Key to all upper tier and lower tier jackpot payout boxes included with authorized card games;
- (vi) Key to all electrical control boxes used to maintain authorized card games; and
- (vii) Other keys included in the licensee's internal controls and approved by commission staff.

**What we changed:** We have rewritten this rule to include the word "defacement."

**Why:** Not all card decks are destroyed. Some are defaced and sold or given away.

**230-15-169 Keys for the security department.**

In the security department, the key control box must include key(s) to:

- (1) The lock to the count room door; and
- (2) Unlock and reset the drop boxes; and
- (3) The first lock on the enclosed storage cabinet or trolley used to store or transport all drop boxes; and
- (4) The storage cabinet(s) or other secure facility used to store the card inventory including decks not yet placed in play and decks removed from play and waiting for defacement or destruction; and
- (5) The main entry or access door of the card room; and
- (6) Other areas included in the approved internal controls.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-895 Key control -- House-banking.**

*Security department.*

(2)(b) Keys included in the key control box maintained by security shall include:

- (i) Key to the lock used to secure the count room door;
- (ii) Key utilized to unlock and reset the drop boxes from the gaming tables;
- (iii) Key to the first lock on the enclosed storage cabinet or trolley used to store or transport all drop boxes removed from the gaming tables to the count room;
- (iv) Key to the storage cabinet(s) or other secure facility used to store the card inventory including decks which have not been placed into play and decks removed from play and waiting to be destroyed;
- (v) Key to main entry or access door of the card room; and
- (vi) Other keys included in the licensee's internal controls and approved by commission staff.

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**230-15-170 Keys for the accounting department.**

In the accounting department, the key control box must include the key(s) to:

- (1) The lock securing the contents of the drop boxes; and
- (2) The rear of the locked dispenser used to store the triplicate of the fill/credit slips in a continuous, unbroken form; and
- (3) The door to the cashier's cage; and
- (4) Reset the lock to the drop boxes; and
- (5) Other areas included in the approved internal controls; and
- (6) The cashier's cage, including keys to:
  - (a) Each cashier's window drawer; and
  - (b) The chip drawer or fill bank; and
  - (c) The vault or safe; and
  - (d) The door to the cashier's cage; and
  - (e) The front of the locked dispenser used to store the triplicate of the fill/credit slips in continuous, unbroken form; and
  - (f) The dealer tip boxes; and
  - (g) Other areas included in the approved internal controls.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-895 Key control -- House-banking.**

*Accounting department.*

(2)(c) Keys included in the key control box maintained by the accounting department shall include:

- (i) Key to the lock securing the contents of the drop boxes;
- (ii) Key to the rear of the locked dispenser used to store the triplicate of the fill/credit slips in a continuous, unbroken form;
- (iii) Key to the door to the cashier's cage;
- (iv) Key to reset the lock to the drop boxes;

- (v) Keys included in the licensee's internal controls and approved by commission staff;
- (vi) Keys maintained by the cashier's cage including:
  - (A) Key(s) to each cashier's window drawer;
  - (B) Key to the chip drawer or fill bank;
  - (C) Key to the vault or safe;
  - (D) Key to the door to the cashier's cage;
  - (E) Key to the front of the locked dispenser used to store the triplicate of the fill/credit slips in continuous, unbroken form;
  - (F) Other keys included in the licensee's internal controls and approved by commission staff; and
  - (G) Key(s) to the dealer tip boxes.

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### **230-15-171 Keys for the surveillance department.**

In the surveillance department, the key control box must include keys to:

- (1) The surveillance room; and
- (2) The storage cabinet(s) or locker(s) used to keep surveillance recordings of evidentiary value or recordings documenting details of jackpot payouts.

[Statutory Authority: RCW 9.46.070.]

### **WAC 230-40-895 Key control -- House-banking.**

*Surveillance department.*

- (2)(d) Keys included in the key control box maintained by surveillance shall include:
  - (i) Key to the room used for clandestine surveillance; and
  - (ii) Key to the storage cabinet(s) or locker(s) used to maintain surveillance recordings of evidentiary value or recordings documenting details of jackpot payouts.

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<p><b>What we changed:</b> We have rewritten this rule using the phrase "employee with overall authority" to the requirement regarding access to the master key control box. We have also changed "must" to "may."</p>
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<p><b>Why:</b> The first change is made to increase consistency in our terms and the second change resolves a conflict between sections (2)(e) and (4)(c) in the old rule.</p>
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### **230-15-172 Keeping a master key control box.**

- (1) House-banked card game licensees may keep a master key control box with access strictly limited to the owner(s) or employee(s) responsible for exercising the overall management or authority over all the operations of the card room.
- (2) Keys in this key control box must include:
  - (a) Any spare or extra keys for the departments and restricted areas; and

- (b) Other keys included in the house-banked card game licensee's approve internal controls.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-895 Key control -- House-banking.**

*Owner/CEO master key box.*

(2)(e) A master key control box may be maintained with access strictly limited to the owner(s) or chief operating officer responsible for exercising the overall management or authority over all the operations of the card room and may include:

- (i) All spare or extra keys for the areas noted above.
- (ii) Other keys included in the licensee's internal controls and approved by commission staff.

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**230-15-173 Emergency key for key control box.**

For emergency situations, house-banked card game licensees may keep an additional key control box with a key which can be accessed on a limited basis for the safety of employees. We must pre-approve any emergency key control boxes.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-895 Key control -- House-banking.**

**Extra key control box - emergencies only.**

(6) For emergency situations, licensees may maintain an additional key control box which can be accessed on a limited basis to protect the safety of employees. The key control boxes which meet this requirement shall be preapproved by commission staff.

[Statutory Authority: RCW 9.46.070. 03-09-076 (Order 418), § 230-40-895, filed 4/16/03, effective 7/1/03; 01-13-091 (Order 403), § 230-40-895, filed 6/19/01, effective 7/20/01; 00-09-052 (Order 383), § 230-40-895, filed 4/14/00, effective 5/15/00.]

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## **Progressive Jackpot Prizes**

### **230-15-174 Operating progressive jackpot prizes for house-banked card games.**

- (1) Licensees may operate progressive jackpot prizes with approved house-banked card games. To participate in a progressive jackpot, a player places a separate wager, part of which accrues to the progressively increasing prize.
- (2) Manufacturer's game rules determine the winning patterns or combinations of cards.
- (3) Licensees may offer a primary and a secondary, or reserve, jackpot prize.
- (4) Licensees must adequately disclose to players the prizes available and how they are won.
- (5) Licensees must ensure that they closely control progressive jackpot games and account for all the funds collected.

[Statutory Authority: RCW 9.46.070.]

### **WAC 230-40-805 Progressive jackpot prizes -- Procedures -- Restrictions -- House-banking.**

Licensees are authorized to operate progressive jackpot prizes in conjunction with approved house-banked card games. Entry into a progressive jackpot is based upon a separate wager by a player, part of which accrues to a progressively increasing prize. A player wins the jackpot prize, or portion thereof, based upon achieving a predetermined pattern or combination of cards. Each licensee operating such games shall ensure they are closely controlled, all the funds collected are accounted for, and prizes and methods of winning are adequately disclosed to players.

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### **230-15-175 Restrictions on house-banked progressive jackpots.**

House-banked card game licensees operating progressive jackpots must adhere to these restrictions and procedures:

- (1) Progressive jackpot funds must accrue according to the rules of the game; and
- (2) At each gambling table, licensees must prominently post the amount of the progressive jackpot that players can win; and
- (3) Licensees must record the beginning amount of each progressive jackpot offered, including explanations for any increases or decreases in the prize amount offered. Licensees must keep this documentation with the progressive jackpot records; and
- (4) Licensees may establish a maximum limit on a progressive jackpot prize. If licensees establish a limit, they must make the amount equal to, or greater than, the amount of the jackpot when they imposed the limit. They must prominently post a notice of the limit at or near the game.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-805 Progressive jackpot prizes -- Procedures -- Restrictions -- House-banking. Restrictions.**

The following procedures and restrictions apply to progressive jackpots:

(1) House-banked progressive jackpot restrictions:

- Moved to 174** (a) The amount of funds accrued to the primary and reserve or secondary jackpots shall increase by a predetermined amount of each wager made, in accordance with the rules of the game;
- (b) The amount of the progressive jackpot eligible to be awarded as a prize shall be prominently displayed at each gambling table;
- (c) The beginning amount of each progressive jackpot offered must be recorded, including explanations for any increase or decrease in the amount of the prize offered. This documentation shall be maintained with the progressive jackpot records; and
- (d) A licensee may establish a maximum limitation on a progressive jackpot prize. If such a limit is established:
- (i) The amount must be equal to or greater than the amount of the jackpot when the limit is imposed; and
  - (ii) A notice of the limit must be conspicuously posted at or near the game;

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**230-15-176a Paying out progressive jackpot prizes.**

- (1) Licensees must immediately pay out prizes of five thousand dollars or less.
- (2) For prizes over five thousand dollars, house-banked card game licensees must payout immediately a minimum of five thousand dollars and pay, by check, the remaining balance within twenty-four hours.
- (3) If the player requests it, house-banked card game licensees must issue a check for the entire prize balance within twenty-four hours.

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**230-15-176 Adjusting progressive jackpot amounts.**

House-banked card game licensees must not reduce the amount of a progressive jackpot prize accrued and displayed, except for the following authorized reasons:

- (1) To reduce the jackpot and the advertised amount by the amount won; or
- (2) To correct an amount displayed incorrectly because of malfunctioning equipment; or
- (3) To correct the display when the amount displayed is greater than the predetermined maximum prize limit; or
- (4) To reduce a reserve or secondary jackpot as long as they record the funds removed as gross receipts and properly documented that in their records.
- (5) To reduce a reserve or secondary jackpot to recover seed money that was not taken from gross receipts, as long as they properly document those funds in their records.

- (6) Licensees may reduce the jackpot by the dollar amount they paid for merchandise they award as prizes.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-805 Progressive jackpot prizes -- Procedures -- Restrictions -- House-banking.**

**Adjusting jackpot amounts and prize payouts.**

(2) A licensee shall not reduce the amount of a progressive jackpot prize, that has been accrued and displayed to players except as authorized by this section.

The following adjustments are allowed to accrued progressive jackpot prizes:

- (a) Jackpot prizes of five thousand dollars or less shall be paid out immediately. For prizes over five thousand dollars, a minimum of five thousand dollars must be paid immediately and the remaining balance paid, by check, within twenty-four hours: Provided, That a check shall be issued for the entire prize balance within twenty-four hours, at the player's request. The jackpot and advertised amount shall be reduced only by the amount won;
- (b) An adjustment may be made to correct malfunctioning equipment or to prevent the display of an amount greater than a predetermined maximum prize limit; or
- (c) A reserve or secondary jackpot may be reduced as long as the funds removed are recorded as gross receipts and are properly documented in the records. A reserve or secondary jackpot may also be reduced to recover seed money that was not taken from gross receipts, provided that those funds are properly documented in the records;

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**230-15-176a Merchandise prizes for progressive jackpots.**

House-banked card game licensees offering merchandise prizes for progressive jackpots must:

- (1) Own the merchandise prizes and pay for them in full, without lien or interest of others, before they award the merchandise as prizes. If the winner has an option to receive a cash prize instead of the merchandise, licensees may enter into a contract to immediately purchase a merchandise prize after the winner chooses their option; and
- (2) Disclose that they used a specific portion of the jackpot funds to buy merchandise to be awarded as prizes, as well as the specific prizes to be awarded; and
- (3) Disclose the value of the merchandise they plan to award. This value must be accurate and verifiable; and
- (4) Award the merchandise on the specific outcome of a game and include the outcome in the game rules; and
- (5) Keep detailed records, including the purchase invoice, on premises and make them available for our review.

**WAC 230-40-805 Progressive jackpot prizes -- Procedures -- Restrictions -- House-banking.**



*Awarding merchandise prizes with jackpot funds.*

(3) (c) Licensees may reduce the jackpot only by the dollar amount paid for the merchandise to be awarded as prizes under the following conditions:

- (i) The licensee discloses to the public that a specific portion of these jackpot funds were used to purchase merchandise to be awarded as prizes, as well as the specific prize to be awarded;
- (ii) The merchandise is awarded as a prize on the specific outcome of a game and is included in the game rules;
- (iii) The merchandise prizes shall be owned by the licensee and paid for in full, without lien or interest of others, prior to the prize being awarded: Provided, That when the winner has an option to receive a cash prize in lieu of such merchandise, a licensee may enter into a contract to immediately purchase a merchandise prize after the winner chooses their option;
- (iv) The licensee must disclose the value of the merchandise to be awarded. This value must be true and verifiable; and
- (v) Detailed records, including purchase invoice, are maintained on premises and available for review by commission staff;

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**230-15-177 Temporarily removing a progressive jackpot from play.**

House-banked card game licensees may temporarily remove a progressive jackpot game from play if:

- (1) We approve the removal and reasons in writing; and
- (2) Circumstances beyond the licensee's control or other good cause lead to the disruption, for example, remodeling the card room; and
- (3) The house-banked card game licensee notifies players of the disruption and the estimated date when the jackpot will continue.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-805 Progressive jackpot prizes -- Procedures -- Restrictions -- House-banking.****Temporarily removing a jackpot from play.**

(4) A licensee may temporarily remove a progressive jackpot game from play subject to the following conditions:

- (a) The removal and reasons must be approved in writing by commission staff; and
- (b) The disruption is caused by circumstances beyond the control of the licensee, or for other good cause (for example: Remodeling the card room); and
- (c) Players are notified of the disruption and the estimated date of continuance.

[Statutory Authority: RCW 9.46.070. 03-20-009 (Order 424), § 230-40-805, filed 9/18/03, effective 1/1/04; 01-13-091 (Order 403), § 230-40-805, filed 6/19/01,

effective 7/20/01; 00-09-052 (Order 383), § 230-40-805, filed 4/14/00, effective 5/15/00.]

**Can we change 2(a) to say "manner" instead of "tournament"?** No, because "manner" still has to be approved and is too broad a term for clear definition. We'd also like to know why tournaments are not being approved.

**Can we say progressive jackpot money belongs to the house, and, therefore, they can do what they want with it. Report it as gross and call it good to go.** No, because players have vested interest in the money since it accrues from their wagers and once it has been displayed there is an expectation that the funds may be won.

**What we changed:** We merged the concepts of removal and discontinuance in the original rule. We also added in an existing rule interpretation about whether fees or buy-ins could be charged when using a tournament to disburse funds.

**Why:** The original rule used both "discontinuance" and "removal" which was redundant. We made this clearer by using the term "removal" throughout. The rule interpretation states that the disbursement by tournament is not intended to be a money-making proposition for the licensee; therefore, the tournament must be free of charge.

### **230-15-178 Removing a progressive jackpot or a portion of a progressive jackpot from play permanently.**

(1) We consider house-banked progressive jackpot prizes which house-banked card game licensees have advertised or posted as funds in which players have a vested interest. Licensees must submit in writing a detailed distribution plan to us and receive written approval before removing any progressive jackpot prizes from play.

(2) Licensees must distribute the funds in one or more of the following ways:

- (a) Offering the prize on a different house-banked game that has a progressive jackpot; or
- (b) Offering the prize in an approved free tournament in which funds must be distributed within sixty days from the date of approval; or
- (c) Donating the money to the Washington State Council on Problem Gambling.

(3) Licensees must prominently post a notice and the distribution plan, including closure of the business, at least ten days before they begin the process to remove the jackpot and make the distribution.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-805 Progressive jackpot prizes -- Procedures -- Restrictions -- House-banking.**

**Removing all or portion of a jackpot from play.**

(3) House-banked progressive jackpot prizes, which are advertised or displayed in any manner are deemed to be funds for which players have a vested interest and may only be removed from play under the following conditions:

*Disbursement.*

(a) The director or the director's designee provides the licensee written approval of a plan to disburse all jackpot funds back to the players. The request for approval shall include full details of the distribution plan and shall be conspicuously posted at least ten days prior to distribution. Licensees shall disburse the funds utilizing one or more of the following methods:

- (i) By offering the prize on a different house-banked game;
- (ii) Offering the prize through means of an approved tournament. All funds must be distributed within sixty days from the date of approval by commission staff; or
- (iii) Donating the money to the Washington state council on problem gambling; and

*Discontinued jackpot-player notification.*

(b) The licensee must notify players of any planned discontinuance, including closure of the business, by conspicuously posting notice for a period of ten days prior to beginning the discontinuance process;

*Awarding merchandise prizes with jackpot funds.*

(c) Licensees may reduce the jackpot only by the dollar amount paid for the merchandise to be awarded as prizes under the following conditions:

- (i) The licensee discloses to the public that a specific portion of these jackpot funds were used to purchase merchandise to be awarded as prizes, as well as the specific prize to be awarded;
  - (ii) The merchandise is awarded as a prize on the specific outcome of a game and is included in the game rules;
  - (iii) The merchandise prizes shall be owned by the licensee and paid for in full, without lien or interest of others, prior to the prize being awarded: Provided, That when the winner has an option to receive a cash prize in lieu of such merchandise, a licensee may enter into a contract to immediately purchase a merchandise prize after the winner chooses their option;
  - (iv) The licensee must disclose the value of the merchandise to be awarded. This value must be true and verifiable; and
  - (v) Detailed records, including purchase invoice, are maintained on premises and available for review by commission staff;
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**What we changed:** We added a rule regarding what licensees must do if tax authorities seize any portion of the progressive jackpot.

**Why:** We have an existing rule interpretation about tax authorities seizing progressive jackpots. Tax authorities may seize monies if back taxes are owed. We then require the licensee to stop operating the jackpot until the licensee has returned the prize money to the progressive jackpot account.

### **230-15-178a Tax authorities seizing all, or a portion, of a progressive jackpot.**

If a taxing authority seizes jackpot funds, the house-banked card game licensee must immediately cease operating the progressive jackpot game and collecting funds for the progressive jackpot until the amount that was posted as the prize has been replaced in the bank account. Licensees may either replace reserve or secondary funds that were seized or record the funds as gross receipts.

[Statutory Authority: RCW 9.46.070.]

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### **Rule summary=added definition of reconcile**

### **230-15-179a Deposit and reconciliation requirements for progressive jackpot prizes.**

(1) For all displayed and reserve jackpots, house-banked card game licensees must deposit all progressive jackpot funds in a separate bank account at least weekly.

(2) Licensees must:

- (a) Keep a record of all deposits; and
- (b) For each progressive prize, identify the deposits by game name and number and dates of collection; and
- (c) Maintain validated deposit slip as part of their records.

(3) At the end of the month, licensees must:

- (a) Reconcile the account balance with the bank statement to the progressive jackpot fund balances. To reconcile, the licensee must compare the account balance on the bank statement to the progressive prize balances in their records and the licensee must resolve differences and document those differences; and
- (b) Keep the reconciliation as part of their records.

[Statutory Authority: RCW 9.46.070.]

### **WAC 230-40-808 Deposit requirements for prizes -- House-banking. Deposit requirements.**

(2) Amounts accrued for any house-banked game which offers a progressive jackpot shall be deposited into the jackpot prize account at least weekly for all disclosed and reserve jackpot funds.

**Recording deposits.**

(5) A record of all deposits shall specifically identify by game name and number, and dates of collection for progressive prizes. The validated deposit slip shall be kept as part of the records required by WAC 230-40-052.

**Monthly reconciliation.**

(6) At the end of each month, the account balance per the bank statement shall be reconciled to the jackpot prize balances. The reconciliation shall be kept as part of the records required by WAC 230-40-052.

[Statutory Authority: RCW 9.46.070. 01-13-091 (Order 403), amended and recodified as § 230-40-808, filed 6/19/01, effective 7/20/01; 00-09-052 (Order 383), § 230-12-073, filed 4/14/00, effective 5/15/00.]

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## **Records and Record Keeping for House-Banked Card Games**

### **230-15-181 Keeping all house-banked card game records.**

House-banked card game licensees must keep and maintain all house-banked card game records in the format we require.

[Statutory Authority: RCW 9.46.070.]

### **WAC 230-40-821 General accounting records -- House-banking.**

Every licensee authorized to offer house-banked card games shall keep and maintain a complete set of records, which have been approved by commission staff. Such records shall include all details of activities related to the conduct of the licensed activity.

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### **230-15-182 Keeping an accounting system.**

(1) House-banked card game licensees must keep and maintain a complete set of accounting records, which we have approved before licensing. These records must include all receipts and disbursements of the licensee, including, at least, those related to gambling activities.

#### **Revenue, costs, and expenses.**

(2) Licensees must keep legible, accurate, and complete records of all transactions relating to the revenues, costs and expenses of the gambling operation. Licensees must keep these records in a format that ensures consistency, comparability, and effective disclosure of financial information.

#### **Accounting system.**

(3) Licensees must keep an accounting system on a double entry method of accounting with transactions recorded on an accrual basis and in conformity with generally accepted accounting principles (GAAP).

#### **Recordkeeping.**

(4) Licensees must keep detailed, supporting, and subsidiary records including, at least:

- (a) Records of all players' checks initially accepted, deposited, and returned as "uncollected," and ultimately written off as "uncollectible"; and
- (b) Records of investments in property, including, at least, equipment used directly in connection with the gambling operation; and
- (c) Records of amounts payable by the gambling operation; and
- (d) Records which identify the purchase, receipt, and destruction of all cards and gambling chips used in wagering; and
- (e) Records of services provided for the operation of gambling activities, for example, service provided by gambling service suppliers; and
- (f) Statistical game records that reflect drop and win amounts for each table, for each game. These records must cover at least each period for which

the drop boxes are removed, or at the minimum, the period of each gambling day.

**Copies.**

- (5) Licensees must color code any form, record, or document that requires duplicate or triplicate copies.
- (6) If forms, records, and documents are required to be inserted into a locked dispenser, the last copy must remain in a continuous unbroken form in the dispenser.
- (7) If licensees are required to account for forms or their series numbers or are required to compare copies of forms for agreement, they must report discrepancies immediately to us for investigation.

**Storing documents.**

- (8) All forms, records, documents, and stored data required to be kept and controlled must have the title printed on the item, such as "fill slip," "request for fill slip," "credit slip," "request for credit slip," or "reconciliation."
- (9) Licensees must keep all records for a period of not less than three years. At least the last six months of gambling records must be available for inspection on the business premises.

**Employee records.**

- (10) Licensees must keep a records system on the business premises that ensures all applicable employees have met licensing requirements. The records must include:
  - (a) Employees' names; and
  - (b) Gambling license numbers; and
  - (c) Gambling license expiration dates; and
  - (d) Photocopies of all current employees' licenses.

**Records of employees who have not yet received a license.**

- (11) Licensees must keep copies of the applications of all employees who have applied for, but have not yet been issued, a license. The records must include:
  - (a) Temporary employment authorization; and
  - (b) Documentation that the employee has made the required license or transfer fee payment; and
  - (c) Proof that the employee has followed the ten-day waiting period, if applicable.

**Notification - new license not received.**

- (12) Licensees must notify us if a card room employee has not received a license within sixty days of employment.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-821 General accounting records -- House-banking.**

Every licensee authorized to offer house-banked card games shall keep and maintain a complete set of records, which have been approved by commission staff. Such records shall include all details of activities related to the conduct of the licensed activity.

The following requirements shall apply:

**Revenue and expenses.**

(1) Each licensee shall maintain legible, accurate and complete records of all transactions relating to the revenues and costs of the gaming operation. These records shall be maintained in a format to ensure consistency, comparability, and effective disclosure of financial information.

**General accounting records.**

(2) General accounting records shall be maintained on a double entry system of accounting with transactions recorded on an accrual basis, to include detailed, supporting, subsidiary records, sufficient to meet the requirements below.

**Recordkeeping.**

(3) The detailed, supporting and subsidiary records shall include, but not necessarily be limited to:

- (a) Records of all patrons' checks initially accepted, deposited, and returned as "uncollected," and ultimately written off as "uncollectible";
- (b) Statistical game records to reflect drop and win amounts for each table, for each game, and for at least each period for which the drop boxes are removed, which shall be at the minimum, the end of each gaming day;
- (c) Records of investments in property, including, but not limited to, equipment used directly in connection with the gaming operation;
- (d) Records of amounts payable by the gaming operation;
- (e) Records which identify the purchase, receipt, and destruction of all cards and gaming chips used in wagering; and
- (f) Records of services provided for the operation of gaming activities.

**Recordkeeping.**

**Copies.**

(4) Whenever duplicate or triplicate copies are required of a form, record or document:

- (a) The original, duplicate, and triplicate copies shall be color-coded;
- (b) If under these standards, forms, records, and documents are required to be inserted in a locked dispenser, the last copy shall remain in a continuous unbroken form in the dispenser; and
- (c) If under these standards, forms or serial numbers of forms are required to be accounted for or copies of forms are required to be compared for agreement and exceptions noted, such exceptions shall be reported immediately to the commission for investigation.

**Recordkeeping.**

**Storing documents.**

(5) All forms, records, documents and stored data required to be prepared, maintained and controlled shall:

- (a) Have the title of the form, record, document, or stored data (such as "fill slip," "request for fill," "credit slip," "request for credit," "reconciliation," etc.), imprinted or preprinted thereon or therein; and
- (b) All records shall be maintained for a period of not less than three years. At least the past six months of records must be available for inspection on premises.



**Employee records.**

(6) Licensees shall maintain a records system that ensures all applicable employees have met licensing requirements. The system shall be maintained on the premises and include the following:

- (a) Employee names;
- (b) Gambling license numbers;
- (c) Gambling license expiration dates; and
- (d) Photocopies of all current employees' licenses.

**Recordkeeping.****Record of employees who have not yet received a license.**

(7) If an employee license has not yet been issued, the licensee shall maintain a copy of the following:

- (a) Temporary employment authorization;
- (b) Documentation that the required payment (license or transfer fee) has been made; and
- (c) Proof that the employee has adhered to the ten-day waiting period, if applicable.

**Notification - new license not received.**

(8) The licensed card room operator shall ensure commission staff is notified if an employee license has not been received within sixty days of employment.

[Statutory Authority: RCW 9.46.070.]

**What we changed:** We have rewritten this rule to include the rule changes suggested by RAT.

**Why:** The changes were passed by the commission during the August meeting.

**230-15-183 Preparing required financial statements.**

House-banked card game licensees must prepare financial statements covering all financial activities of the licensees' business premises for each business year. Licensees must meet the following definitions and requirements:

**Definitions**

(1) The following definitions apply to all subsections of this rule:

- (a) "Financial statements" means documents, including, at least: balance sheet, statement of income, statement of retained earnings or changes in equity, statement of cash flows, and all required notes or disclosures. All financial statements must be in accordance with United States generally accepted accounting principles (GAAP).
- (b) "Card room gross receipts" means documents that must include receipts from all house-banked and nonhouse-banked card games offered by the house banked card room.
- (c) "Independent" means there is no relationship that may influence a certified public accountant's impartiality and objectivity in rendering services.

**Prepared financial statements by independent, certified public accounting firm – gross receipts of over three million dollars.**

(2) Licensees with house-banked card game gross receipts of more than three million dollars for the business year must hire an independent, certified public accounting firm licensed by the Washington state board of accountancy to audit the licensee's financial statements according with GAAP.

**Reviewed financial statements - gross receipts of one to three million dollars.**

(3) Licensees with house-banked card room gross receipts of one to three million dollars for the business year must hire an independent, certified public accounting firm licensed by the Washington state board of accountancy to review the house-banked card game licensee's financial statements according with the statements on standards for accounting and review services or audit the house-banked card game licensee's financial statements according to GAAP.

**Compiled financial statements - gross receipts of less than one million dollars.**

(4) Licensees with house-banked card room gross receipts of less than one million dollars for the business year must hire an independent, certified public accounting form licensed by the Washington state board of accountancy to compile the house-banked card game licensee's financial statements according with the statements on standards for accounting and review services and GAAP. This compilation must include all required notes or disclosures on an accrual basis of accounting.

**Financial statement presentation.**

(5) Licensees must present financial statements on a comparative basis. For the first year of operation only, licensees do not have to submit comparative financial statements. Licensees must report gross revenues from each licensed activity separate and apart from all other revenues.

**Consolidated financial statements.**

(6) Commonly owned or operated business premises may present consolidated financial statements. Licensees must include consolidated schedules presenting separate financial statement for each licensed card room location.

**Change in business year.**

(7) Licensees must notify us in writing within thirty days if they change their business year. Licensees must submit financial statements for the period covering the previous business year to the end of the new business year.

(8) Licensees must submit a copy of the report and the financial statements to us within one hundred twenty days following the end of their business year. We may authorize a sixty-day extension if a licensee submits a written request explaining the need for the extension.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-823 Financial audits and reviews required -- House-banking.**

Each licensee operating house-banked card games shall prepare financial statements covering all financial activities of the licensee's establishment for each business year. The following requirements shall apply:

(1) Each licensee with house-banked card game gross receipts in excess of three million dollars for the business year shall engage an independent, certified public accountant licensed by the Washington state board of accountancy who shall audit the licensee's financial statements in accordance with generally accepted auditing standards.

**Reviewed financial statements - gross receipts of one to three million dollars.**

(2) Each licensee with house-banked card game gross receipts of one to three million dollars for the business year shall engage an independent, certified public accountant licensed by the Washington state board of accountancy who shall review the financial statements in accordance with the statements on standards for accounting and review services or audit the financial statements in accordance with generally accepted auditing standards.

**Compiled financial statements - gross receipts of less than one million dollars.**

(3) Each licensee with house-banked card game gross receipts of less than one million dollars for the business year shall engage an independent, certified public accountant licensed by the Washington state board of accountancy who shall compile the financial statements in accordance with the statements on standards for accounting and review services in accordance with generally accepted accounting principles, including all required footnotes or disclosures on an accrual basis of accounting.

**Financial statement presentation.**

- (4) The financial statements must be presented in the following manner:
- (a) Financial statements shall be submitted on a comparative basis: Provided, That the first year may be submitted for the current business year only; and
  - (b) Gross revenues from each licensed activity should be reported by activity and separate and apart from all other revenues.

**Consolidated financial statements.**

(5) Consolidated financial statements may be filed by commonly owned or operated establishments. These statements must include consolidated schedules presenting separate financial statements for each licensed card room location.

**Change in business year.**

(6) If a licensee changes its business year, they shall notify the director within thirty days. The licensee shall submit financial statements for the period covering the end of the previous business year to the end of the new business year.

(7) A copy of the report and the financial statements shall be submitted to the director within one hundred twenty days following the end of the licensee's business year. The director may authorize a sixty-day extension if a licensee submits a written request explaining the need for the extension.

~~(8) This rule will be effective for business years ending on or after July 1, 2004.~~

**230-15-185 Signature cards.**

House-banked card game licensees must keep signature cards, in the format we require, of the authorized signature for each employee who signs or initials forms, records, and documents, including at least all employees whom the licensee authorizes to approve transfers of cash, coin, or chips.

- (1) The signature card must be completed in the format we require. The card must be prepared in the presence of a member of the accounting department, who must review a picture identification card and verify the signer's identity.
- (2) Licensees must keep completed cards in a signature card file, sorted by department and listed alphabetically by name. Licensees must review and adjust the signature records as needed to reflect changes of personnel. Licensees must retain the signature records for a period of at least one year after employment terminates.
- (3) Licensees must securely store signature cards in the accounting department. The cashier's cage must keep a copy of each signature card and cage personnel must use it to verify signatures.

[Statutory Authority: RCW 9.46.070.]

**WAC 230-40-890 Signatures -- Requirements.**

Each transfer of cash, coins, or chips shall be documented and verified by signatures of individuals responsible for applicable records. A record of authorized signatures shall be maintained for all employees of a house-banked card room authorized to approve transfers of cash, coin, or chips. The following restrictions and operating procedures apply to licensees conducting house-banked card games:

- (1) Signatures shall:
  - (a) Be, at a minimum, the signer's first initial and last name, i.e., "B. Smith";
  - (b) Be immediately adjacent to, or above, the clearly printed or preprinted title of the signer and his or her employee number; and
  - (c) Signify that the signer has prepared forms, records, and documents, and/or is authorized to a sufficient extent to attest to the accuracy of the information recorded thereon, in conformity with these standards and the licensee's system of accounting and internal control.
- (2) The licensee shall ensure that signature cards are completed for each person who signs or initials forms, records and documents, and shall include samples of signatures and initials of signers. Such signature records shall be prepared in the presence of a member of the accounting department who shall verify the employee's identity by review of a picture identification card. Completed cards shall be maintained in a dated signature card file, sorted by department and listed alphabetically by name. The signature records shall be adjusted on a timely basis to reflect changes of personnel and must be retained for a period of at least one year after employment terminates.
- (3) Signature cards shall be securely stored in the accounting department. A copy of each signature card shall be maintained in the cashier's cage and be used by cage personnel to verify applicable signatures.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-890, filed 4/14/00, effective 5/15/00.]

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**230-15-187 Signature requirements for documents, records, and forms.**

- (1) Licensees must document each transfer of cash, coins, or chips and verify the transfer with the signature(s) of individual(s) responsible for the records.
- (2) When signing documents, records, and forms, signers indicate that they
  - (a) Have prepared them according to the requirements of the accounting system and internal controls; and/or
  - (b) Attest to the accuracy of the information recorded.
- (3) Signers must sign immediately next to, or above, the clearly printed or preprinted title on all forms, records, and documents.
- (4) Signatures must, at least, be the signer's first initial and last name, for example, "B. Smith," and the signer's employee number.

**WAC 230-40-890 Signatures -- Requirements.**

Each transfer of cash, coins, or chips shall be documented and verified by signatures of individuals responsible for applicable records. A record of authorized signatures shall be maintained for all employees of a house-banked card room authorized to approve transfers of cash, coin, or chips. The following restrictions and operating procedures apply to licensees conducting house-banked card games:

- (1) Signatures shall:
  - (a) Be, at a minimum, the signer's first initial and last name, i.e., "B. Smith";
  - (b) Be immediately adjacent to, or above, the clearly printed or preprinted title of the signer and his or her employee number; and
  - (c) Signify that the signer has prepared forms, records, and documents, and/or is authorized to a sufficient extent to attest to the accuracy of the information recorded thereon, in conformity with these standards and the licensee's system of accounting and internal control.
- (2) The licensee shall ensure that signature cards are completed for each person who signs or initials forms, records and documents, and shall include samples of signatures and initials of signers. Such signature records shall be prepared in the presence of a member of the accounting department who shall verify the employee's identity by review of a picture identification card. Completed cards shall be maintained in a dated signature card file, sorted by department and listed alphabetically by name. The signature records shall be adjusted on a timely basis to reflect changes of personnel and must be retained for a period of at least one year after employment terminates.
- (3) Signature cards shall be securely stored in the accounting department. A copy of each signature card shall be maintained in the cashier's cage and be used by cage personnel to verify applicable signatures.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-890, filed 4/14/00, effective 5/15/00.]

